

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

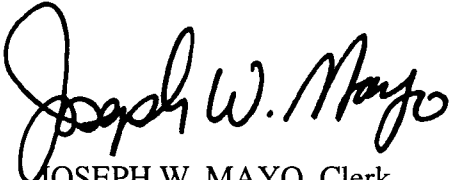
No. 207

H.P. 157

House of Representatives, January 24, 1995

An Act to Allow a Municipality To Enact a Local Option Tax.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative JONES of Bar Harbor.
Cosponsored by Representative: VOLENIK of Sedgwick.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 36 MRSA §1815** is enacted to read:

6 **§1815. Local option sales and use tax**

8 **1. Municipalities authorized to adopt.** The legislative
10 body of any municipality may impose a local sales and use tax on
12 all transactions to which the state sales and use tax applies.
14 The municipality may impose a sales and use tax not to exceed
16 1.5¢.

18 **2. Notify State Tax Assessor.** A municipality that imposes
20 a local sales and use tax under this section shall notify the
22 State Tax Assessor at least 90 days before the local tax is
24 effective to provide the State with sufficient time to prepare
26 for administration of the local tax.

28 **3. Administered by State.** Retailers in a municipality that
30 has imposed a local sales and use tax under this section shall
32 pay the tax at the time and in the manner provided for the
34 payment of state sales and use taxes and this tax must be in
36 addition to all other taxes.

38 **4. Payment to municipalities.** Each month the State Tax
40 Assessor shall identify the amount of revenue attributable to
42 each municipality under this section, subtract the costs of
44 administering this section and certify the net amount
46 attributable to each municipality to the Treasurer of State. The
48 Treasurer of State shall make monthly payments of 66% of the net
amounts certified as attributable to a municipality by the State
Tax Assessor to that municipality. The Treasurer of State shall
deposit the balance in the General Fund.

36 **STATEMENT OF FACT**

38 This bill allows municipalities to adopt a local sales and
40 use tax. A municipality may choose to impose a tax not to exceed
42 1.5¢.

44 The tax applies to sales of the same goods and services to
46 which the state sales and use tax applies.

48 All the provisions regarding assessment, collection and
enforcement of the state sales and use tax also apply to the
local sales and use tax. The State shall assess and collect the
local sales and use tax along with the state sales and use tax
and return 66% of the revenue raised to the municipality.