

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 611

H.P. 445

House of Representatives, February 23, 1995

**An Act to Reduce the State Sales Tax from 6% to 5%.**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative UNDERWOOD of Oxford.  
Cosponsored by Representatives: AIKMAN of Poland, BIRNEY of Paris, CLARK of Millinocket, HARTNETT of Freeport, KEANE of Old Town, LANE of Enfield, LUMBRA of Bangor, MARSHALL of Eliot, McALEVEY of Waterboro, TRUE of Fryeburg, TRUMAN of Biddeford, WATERHOUSE of Bridgton, WINSOR of Norway, Senators: HANLEY of Oxford, LAWRENCE of York.

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

4 **Sec. 1. 36 MRSA §1811, first ¶**, as amended by PL 1993, c. 701, §6 and affected by §10, is further amended to read:

6 A tax is imposed on the value of all tangible personal  
8 property and taxable services sold at retail in this State. The  
10 rate of tax is 7% on the value of liquor sold in licensed  
12 establishments as defined in Title 28-A, section 2, subsection  
14 15, in accordance with Title 28-A, chapter 43; 7% on the value of  
16 rental of living quarters in any hotel, rooming house, tourist or  
18 trailer camp; 10% on the value of rental for a period of less  
than one year of an automobile; 7% on the value of prepared food  
sold in establishments that are licensed for on-premises  
consumption of liquor pursuant to Title 28-A, chapter 43; and 6%  
5% on the value of all other tangible personal property and  
taxable services. Value is measured by the sale price, except as  
otherwise provided.

20 **Sec. 2. 36 MRSA §1811, 3rd to 5th ¶¶**, as enacted by PL 1993, c.  
410, Pt. KKKK, §1, are repealed.

22 **Sec. 3. 36 MRSA §1812, sub-§1, ¶A**, as repealed and replaced by  
24 PL 1991, c. 591, Pt. XX, §3 and affected by §§7 and 8, is  
repealed and the following enacted in its place:

26 A. If the tax rate is 5%:

28

<u>Amount of Sale Price</u>	<u>Amount of Tax</u>
<u>\$0.01 to \$0.10, inclusive</u>	<u>0¢</u>
<u>.11 to .20, inclusive</u>	<u>1¢</u>
<u>.21 to .40, inclusive</u>	<u>2¢</u>
<u>.41 to .60, inclusive</u>	<u>3¢</u>
<u>.61 to .80, inclusive</u>	<u>4¢</u>
<u>.81 to 1.00, inclusive</u>	<u>5¢</u>

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34  
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38 **Sec. 4. Effective date.** This Act takes effect on January 1,  
1996.

40  
42 **STATEMENT OF FACT**

44 This bill reduces the sales tax from 6% to 5% effective  
46 January 1, 1996.