

MAINE STATE LEGISLATURE

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TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 486, L.D. 667, Bill, "An Act to Permit the Equitable Taxation of Leased Equipment"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 36 MRSA §1752, sub-§18-A, as amended by PL 1985, c. 819, Pt. C, §§6 and 7, is further amended to read:

18-A. Telephone or telegraph service. "Telephone or telegraph service" means all telecommunications or telegraph service, including installation or use of telecommunication or telegraphic equipment, but not including telecommunications or telegraph service originating or terminating outside this State. "Telecommunications and telegraphic equipment" means any 2-way interactive communications device, system or process for transmitting or receiving electromagnetic signals and capable of exchanging audio, data base or textual information. Until January 1, 1988, telecommunications service includes access services provided by a local exchange carrier to an interstate or intrastate interexchange carrier. Notwithstanding subsection 11, a sale of access services shall ~~be~~ is considered a retail sale. Beginning January 1, 1988, unless extended by the Legislature, telecommunications service shall ~~shall~~ does not include those access services. "Telephone or telegraph service" does not include directory advertising service. This subsection applies to leases entered into prior to October 1, 1995.

Sec. 2. 36 MRSA §1752, sub-§18-B is enacted to read:

2 18-B. Telephone or telegraph service. "Telephone or
 4 telegraph service" means all telecommunications or telegraph
 6 service, including installation of telecommunication or
 8 telegraphic equipment, but not including telecommunications or
 10 telegraph service originating or terminating outside this State.
 12 "Telecommunications and telegraph equipment" means any 2-way
 14 interactive communications device, system or process for
 16 transmitting or receiving electromagnetic signals and capable of
 18 exchanging audio, data base or textual information.
 20 "Telecommunications and telegraph equipment" does not include
 22 computers except those components of a computer used primarily
and directly as a 2-way interactive communications device capable
of exchanging audio, data base or textual information.
Notwithstanding subsection 11, a sale of access services is
considered a retail sale. Beginning January 1, 1988, unless
extended by the Legislature, telecommunications service does not
include those access services. "Telephone or telegraph service"
does not include directory advertising service. This subsection
applies to leases entered into on or after October 1, 1995.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

	1995-96	1996-97
REVENUES		
General Fund	(\$10,313)	(\$17,438)
Other Funds	(554)	(937)

The additional sales tax exemption for lease payments on telecommunication equipment will decrease General Fund revenue by \$10,313 in fiscal year 1995-96 and \$17,438 in fiscal year 1996-97. The corresponding decreases in state-municipal revenue sharing will be \$554 and \$937, respectively.

The additional costs to notify retailers of the tax changes can be absorbed by the Bureau of Taxation utilizing existing budgeted resources.'

STATEMENT OF FACT

This amendment replaces the bill and makes the elimination of the sales tax on lease payments apply only to leases entered into on or after October 1, 1995.