

MAINE STATE LEGISLATURE

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R/S

L.D. 1775

DATE: 3/13/96

(Filing No. H- 766)

TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1293, L.D. 1775, Bill, "An Act to Exempt Farms from the Sales Tax on Electricity"

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 §1760, sub-§9-H is enacted to read:

9-H. Electricity sold to farmers. Electricity used directly and primarily in commercial agricultural production.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1996-97

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Bureau of Taxation

All Other \$8,000

Provides funds for one-time costs associated with

COMMITTEE AMENDMENT

printing and mailing a
notification of changes to
affected taxpayers.

Sec. 3. Effective date. This Act takes effect September 1, 1996.'

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

FISCAL NOTE

1996-97

APPROPRIATIONS/ALLOCATIONS

General Fund \$8,000

REVENUES

General Fund (\$378,922)
Other Funds (20,364)

The additional sales tax exemption for electricity sold to persons involved in commercial agricultural production will decrease General Fund revenue by \$378,922 in fiscal year 1996-97. The corresponding decrease in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be \$20,364. These estimates of the revenue reductions are based on a partial year of implementation. The estimated full year revenue reductions beginning in fiscal year 1997-98 are approximately \$542,144 to the General Fund and \$29,135 to the Local Government Fund.

The Bureau of Taxation will require an additional General Fund appropriation of \$8,000 in fiscal year 1996-97 for one-time costs associated with printing and mailing a notification of changes to affected taxpayers.'

STATEMENT OF FACT

This amendment replaces the bill, enacts the new sales tax exemption in the Maine Revised Statutes, Title 36, section 1760 and adds an effective date. It also adds a fiscal note to the bill.