

# MAINE STATE LEGISLATURE

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L.D. 437

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DATE: 4-25-97

(Filing No. H-239)

**MINORITY  
TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 315, L.D. 437, Bill, "An Act to Amend the Laws Regarding When a Merchant Must Remit Sales Tax to the State"

Amend the bill by inserting after section 1 the following:

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

**1997-98**

**ADMINISTRATIVE AND FINANCIAL  
SERVICES, DEPARTMENT OF**

**Bureau of Taxation**

All Other \$21,000

Provides funds for printing and mailing notification of changes to all retailers.'

Further amend the bill by inserting at the end before the summary the following:

**FISCAL NOTE**

**1997-98**

**APPROPRIATIONS/ALLOCATIONS**

General Fund \$21,000

VTI 9801142117-50  
2000/01/14

COMMITTEE AMENDMENT "A" to H.P. 315, L.D. 437

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This bill will make all retailers report sales tax collections on a "cash" basis rather than the accrual method. The result will be a delay in some sales tax collections by the State outside of the fiscal year in which it otherwise would have been collected. The amount of this shift can not be estimated at this time. However, if only 1% of sales tax collections were shifted, the estimated loss of General Fund revenue in fiscal year 1997-98 would be \$4,900,000 and \$3,200,000 in fiscal year 1998-99. The corresponding reduction in dedicated revenue to the Local Government Fund for municipal revenue sharing would be \$263,323 and \$171,970, respectively. These amounts will significantly decrease in future fiscal years.

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The Bureau of Taxation will require an additional General Fund appropriation of \$21,000 in fiscal year 1997-98 for printing and mailing notification of changes to all retailers. If other changes are made to the sales tax laws, the costs correctly allocated to this bill may be reduced.'

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**SUMMARY**

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This amendment is the minority report. The amendment also adds an appropriation section and fiscal note to the bill.