

MAINE STATE LEGISLATURE

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DATE: *May 30, 1997* 97 MAY 29 PM 11: 05 (Filing No. S- 378)

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STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST SPECIAL SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 445, L.D. 1419, Bill, "An Act to Clarify the Application of the Sales Tax on Hay, Horses and Horse Farms"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'An Act to Clarify the Application of the Sales Tax on Hay and Animal Bedding'

Further amend the amendment in the first indented paragraph (page 1, line 23 in amendment) by striking out the following: "Amend" and inserting in its place the following: 'Further amend'

Further amend the amendment by striking out all of the 2nd and 3rd indented paragraphs after the title and inserting in their place the following:

'Further amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 36 MRSA §1760. sub-§78 is enacted to read:

78. Hay and animal bedding. Sales of hay and organic bedding materials for farm animals.

SENATE AMENDMENT

FISCAL NOTE

This amendment eliminates the tax exemption on certain animal reproduction items which will reduce the loss of General Fund revenue by \$60,587 in fiscal year 1997-98 and \$94,284 in fiscal year 1998-99. The corresponding reductions in the decreases in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be \$3,256 and \$5,067, respectively.

SUMMARY

This amendment replaces the bill and exempts the sale of hay and organic bedding materials, such as wood shavings and sawdust, from the sales tax when these materials are used to care for farm animals. Sales of these materials for pets, such as hamsters and gerbils, would still be subject to tax. Currently, these materials are exempt only when used in agricultural production.

SPONSORED BY: *Michael Michael H.*
(Senator MICHAUD)

COUNTY: Penobscot