

MAINE STATE LEGISLATURE

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S.S.

L.D. 6

DATE: April 12, 1999

(Filing No. S- 83)

TAXATION

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 22, L.D. 6, Bill, "An Act to Repeal the Sales Tax on Horses"

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

'An Act Related to Application of the Sales Tax to Agricultural Animals'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 36 MRSA §1760, sub-§7, as amended by PL 1997, c. 550, §1, is further amended to read:

7. Products used in agricultural and aquacultural production, agricultural animals and bait. Sales of seed, feed, hormones, fertilizer, pesticides, insecticides, fungicides, antibiotics, weed killers, defoliants, litter and medicines used in agricultural and aquacultural production, sales of agricultural animals and sales of bait to commercial fishermen. "Agricultural production" includes the raising and keeping of equines. For purposes of this subsection, "agricultural animals" means animals that are raised to provide a food product or are a source of food products. "Agricultural animals" also includes equines.

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

COMMITTEE AMENDMENT

FISCAL NOTE

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	1999-00	2000-01
REVENUES		
General Fund	(\$38,306)	(\$58,083)
Other Funds	(2,059)	(3,121)

The exemption of the sale of horses from the sales tax will decrease sales tax collections by \$40,365 in fiscal year 1999-00 and \$61,204 in fiscal year 2000-01. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$2,059 and \$3,121, respectively. The resulting net reductions of General Fund revenue will be \$38,306 in fiscal year 1999-00 and \$58,083 in fiscal year 2000-01.

The Bureau of Revenue Services will incur some minor additional costs to implement this sales tax change. These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

This amendment expands the exemption proposed in the original bill to include all equines, clarifies the exempt status of agricultural animals and relocates the exemption to include it with related provisions.

This amendment also adds a fiscal note to the bill.