

MAINE STATE LEGISLATURE

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M
A. W. S.

L.D. 56

DATE: 5-20-99

(Filing No. H-650)

MAJORITY
TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 42, L.D. 56, Bill, "An Act to Repeal the Snack Tax"

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Amend the bill in section 1 by striking out all of subsection 3-B (page 1, lines 6 to 26 in L.D.) and inserting in its place the following:

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'3-B. Grocery staples. "Grocery staples" means food products ordinarily consumed for human nourishment and includes, but is not limited to, cereals and grain products, including bread, rolls and unflavored matzo; milk and milk products; oleomargarine; meat and meat products; fish and seafood products; poultry; eggs and egg products; vegetables and vegetable products, including pickles; fruit and fruit products, including fruit juices and fruit sauces; naturally flavored powdered or liquid drink mixes or drinks; spices, condiments, including jams, jellies and peanut butter, salt and sugar; coffee and tea; and unroasted nuts.

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"Grocery staples" does not include spirituous, malt or vinous liquors; soft drinks, iced tea, sodas or beverages such as are ordinarily dispensed at bars or soda fountains or in connection with bars or soda fountains; medicines, tonics, vitamins and preparations in liquid, powdered, granular, tablet, capsule, lozenge or pill form, sold as dietary supplements or adjuncts, except when sold on the prescription of a physician; water, including mineral bottled and carbonated waters and ice; dietary substitutes; snack--food candy and confections; popsicles, ice cream or ice milk novelties, including ice cream or ice milk in a cone or cup, sundaes, sodas, frappes and similar items; and prepared food.'

COMMITTEE AMENDMENT

H. of S.

COMMITTEE AMENDMENT "A" to H.P. 42, L.D. 56

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

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FISCAL NOTE

1999-00 2000-01

REVENUES

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General Fund	(\$10,310,559)	(\$15,633,446)
Other Funds	(554,097)	(840,154)

16 The elimination of the "snack tax" will decrease sales tax
collections by \$10,864,656 in fiscal year 1999-00 and \$16,473,600
18 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
20 \$554,097 and \$840,154, respectively. The resulting net
reductions of General Fund revenue will be \$10,310,559 in fiscal
22 year 1999-00 and \$15,633,446 in fiscal year 2000-01.

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

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SUMMARY

32 This amendment changes the bill to improve the
administrability of the repeal of the sales tax on snacks. The
amendment also adds a fiscal note to the bill.