

MAINE STATE LEGISLATURE

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M
R.S.

L.D. 192

DATE: April 12, 1999

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TAXATION

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

COMMITTEE AMENDMENT "A " to S.P. 89, L.D. 192, Bill, "An Act to Exempt Articles of Clothing Costing Less than \$200 from the Sales Tax"

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

'An Act to Exempt Articles of Clothing Costing Less than \$50 from the Sales Tax'

Further amend the bill in section 1 in subsection 80 in the 2nd line (page 1, line 6 in L.D.) by striking out the following: "\$200 per item." and inserting in its place the following: '\$50 per item. For purposes of this subsection, "clothing" means any type of apparel, including belts, footwear, hats and gloves, but not including accessories such as jewelry, purses and items for the hair.'

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

'FISCAL NOTE

	1999-00	2000-01
REVENUES		
General Fund	(\$21,721,300)	(\$33,841,150)
Other Funds	(1,167,320)	(1,818,650)

COMMITTEE AMENDMENT

RWS

COMMITTEE AMENDMENT "A" to S.P. 89, L.D. 192

2 The exemption of clothing with a sales price of less than
3 \$50 from the sales tax will decrease sales tax collections by
4 \$22,888,620 in fiscal year 1999-00 and \$35,659,800 in fiscal year
5 2000-01. The reduction of these tax collections will decrease
6 the amounts transferred to the Local Government Fund for
7 state-municipal revenue sharing in those years by \$1,167,320 and
8 \$1,818,650, respectively. The resulting net reductions of
9 General Fund revenue will be \$21,721,300 in fiscal year 1999-00
10 and \$33,841,150 in fiscal year 2000-01.

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

14
15
16
17 **SUMMARY**

18 This amendment restricts the exemption to articles of
19 clothing with a value of less than \$50. The amendment adds a
20 definition of "clothing" and a fiscal note to the bill. The
21 amendment also changes the title of the bill.
22

COMMITTEE AMENDMENT