

MAINE STATE LEGISLATURE

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DATE: 5-3-99

(Filing No. H-394)

TAXATION

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

COMMITTEE AMENDMENT "B" to H.P. 306, L.D. 422, Bill, "An Act to Amend the Laws Regarding when A Merchant Must Remit Sales Tax"

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

'Sec. 1. 36 MRSA §1951-A, sub-§2, as amended by PL 1993, c. 395, §16, is repealed.'

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

FISCAL NOTE

This bill eliminates the estimated payment requirement for retailers with an annual tax liability in excess of \$250,000, resulting in the deferral, for approximately 3 weeks, of an estimated 1/3 of sales and use tax collections each month. The amounts to be deferred will vary from month to month and range from \$18,000,000 to \$30,000,000. However, this deferral will not result in a loss or shift of budgeted sales and use tax revenue on a fiscal year basis. The amount that will be accrued at the end of each fiscal year will increase by over \$20,000,000 so that the amount of budgeted revenue from sales and use tax for each fiscal year will not be reduced.

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "B" to H.P. 306, L.D. 422

2 This deferral will decrease cash balances available in the
Treasurer of State's cash pool and will likely affect interest
4 earnings beginning in fiscal year 1999-00. The amount of the
reduction in interest earnings can not be estimated at this time.'

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SUMMARY

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10 This amendment is a minority report and repeals the
provision of the sales and use tax law that requires estimated
12 payments of sales and use tax. The amendment also adds a fiscal
note to the bill.