

MAINE STATE LEGISLATURE

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1998

L.D. 1277

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TAXATION

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

COMMITTEE AMENDMENT "A " to S.P. 440, L.D. 1277, Bill, "An Act Concerning Technical Changes to the Tax Laws"

Amend the bill by inserting after section 3 the following:

'Sec. 4. 31 MRSA §761, sub-§1, as enacted by PL 1993, c. 718, Pt. A, §1, is amended to read:

1. Classified as partnership. For purposes of taxation under Title 36, Part 8, a limited liability company formed under this chapter or qualified to do business in this State as a foreign limited liability company is classified as a partnership, unless classified otherwise for federal income tax purposes, in which case the limited liability company is classified in the same manner as it is classified for federal income tax purposes.'

Further amend the bill by striking out all of section 13 (page 6, lines 15 to 30 in L.D.)

Further amend the bill in section 14 in the first paragraph in the 2nd line (page 6, line 36 in L.D.) by inserting after the following: "estate" the following: 'under this subchapter'

Further amend the bill by striking out all of sections 15, 16, 17 and 18 (page 7, lines 2 to 30 in L.D.) and inserting in their place the following:

'Sec. 15. 36 MRSA §1752, sub-§17-A, ¶C, as enacted by PL 1987, c. 497, §25, is amended to read:

R. W. S.

2 C. Telephone---or---telegraph---service Telecommunications
3 services;

4 **Sec. 16. 36 MRSA §1752, sub-§17-A, ¶G,** as amended by PL 1993,
6 c. 701, §4, is further amended to read:

8 G. Rental of video tapes and video equipment; and

10 **Sec. 17. 36 MRSA §1752, sub-§17-A, ¶H,** as amended by PL 1995,
12 c. 281, §14 and affected by §42, is further amended to read:

14 H. Rental or lease of an automobile; and

16 **Sec. 18. 36 MRSA §1752, sub-§17-A, ¶I** is enacted to read:

18 I. Transmission and distribution of electricity.

20 **Sec. 19. 36 MRSA §1752, sub-§§18-C and 18-D** are enacted to
22 read:

24 **18-C. Telecommunications equipment.** "Telecommunications
26 equipment" means any 2-way interactive communications device,
28 system or process for transmitting or receiving signals that is
30 capable of exchanging audio, video, data or textual information.
32 "Telecommunications equipment" does not include computers, except
34 those components of a computer used primarily and directly as a
36 2-way interactive communications device capable of exchanging
38 audio, video, data or textual information.

40 **18-D. Telecommunications services.** "Telecommunications
42 services" means all telecommunications services described in this
44 subsection.

46 **A. "Telecommunications services" includes, but is not**
48 **limited to:**

- 50 (1) The provision of 2-way interactive communications
through the use of telecommunications equipment; and
- (2) The installation, maintenance or repair of
telecommunications equipment.

52 **B. "Telecommunications services" does not include:**

- 54 (1) Service originating or terminating outside this
State;
- 56 (2) Access services;

(3) Directory advertising services; or

(4) For leases entered into on or after October 1, 1996, the lease of telecommunications equipment.

Sec. 20. 36 MRSA §1752-A is enacted to read:

§1752-A. Residence

In determining eligibility for exemption under section 1760, references to residents or nonresidents refer to individuals.

Sec. 21. 36 MRSA §1760, sub-§9-B, as amended by PL 1979, c. 520, §5, is further amended to read:

9-B. Residential electricity. Sale and delivery of the first 750 kilowatt hours of residential electricity per month. For the purpose of this subsection, "residential electricity" ~~shall-mean~~ means electricity furnished to homes, mobile homes, boarding homes and apartment houses, with the exception of hotels and motels. Where residential electricity is furnished through one meter to more than one residential unit and where the electric utility applies its tariff on a per unit basis, the furnishing of electricity ~~shall--be--deemed~~ is considered a separate sale for each unit to which the tariff applies. For purposes of this subsection, "delivery" means transmission and distribution;

Sec. 22. 36 MRSA §1760, sub-§9-D, as amended by PL 1991, c. 591, Pt. N, §1 and affected by §2, is further amended to read:

9-D. Fuel and electricity used at a manufacturing facility. Ninety-five percent of the sale price of all fuel and electricity purchased for use at a manufacturing facility. ~~The sales-or-use-tax-rate-applicable-to-95%-of-the-sale-price-of-such-fuel-and-electricity-must-be-progressively-reduced-to-0-according-to-the-following-schedule:~~ For purposes of this subsection, "sale price" includes, in the case of electricity, any charge for transmission and distribution.

Date-of-purchase	Sales-or-use-tax-rate
July-1,-1987,-to-June-30,-1988	4%
July-1,-1988,-to-June-30,-1989	3%
July-1,-1989,-to-June-30,-1991	2%
July-1,-1991,-to-June-30,-1993	1%
July-1,-1993,-and-thereafter	0%

COMMITTEE AMENDMENT "A" to S.P. 440, L.D. 1277

Each-year-prior-to-the-effective-date-of-the-next-reduction,
after-the-reduction-beginning-July-1,-1987,-the-joint-standing
committee-of-the-Legislature-having-jurisdiction-over-taxation
shall-review-the-effect-of-this-subsection-and-report-to-the
Legislature.'

Further amend the bill by striking out all of section 35
(page 12, lines 22 to 36 in L.D.) and inserting in its place the
following:

'Sec. 35. 36 MRSA §4365, first ¶, as repealed and replaced by
PL 1997, c. 458, §6, is amended to read:

A tax is imposed on all cigarettes imported into this State
or held in this State by any person for sale at the rate of 18.5
mills for each cigarette. Payment of the tax is evidenced by the
affixing of stamps to the packages containing the cigarettes. If
an individual purchases unstamped packages containing cigarettes
in a quantity greater than 2 cartons from a person other than a
licensed distributor or dealer, the tax may be assessed directly
by the State Tax Assessor within 3 years from the date of the
purchase.'

Further amend the bill by striking out all of section 37
(page 12, lines 41 to 50 and page 13, lines 1 to 14 in L.D.)

Further amend the bill in section 42 in subsection 12 in the
5th line from the end (page 14, line 29 in L.D.) by striking out
the following: "Internal Revenue"

Further amend the bill in section 42 in subsection 13 in the
first paragraph in the 5th line from the end (page 14, line 47 in
L.D.) by striking out the following: "Internal Revenue"

Further amend the bill in section 49 in subsection 3 in the
first paragraph in the 4th and 5th lines (page 16, lines 32 and
33 in L.D.) by striking out the following: "United States
Internal Revenue" and inserting in its place the following:
'United-States-Internal-Revenue'

Further amend the bill in section 50 in paragraph C in the
2nd line (page 17, line 2 in L.D.) by striking out the
following: "United States Internal Revenue" and inserting in its
place the following: 'United-States-Internal-Revenue'

Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

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

RWS

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FISCAL NOTE

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This bill will have no significant net effect on revenue from tax collections, taxpayer benefit program costs or the administrative costs of the Bureau of Revenue Services.'

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SUMMARY

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This amendment makes corrections to the bill, removes unnecessary provisions and adds additional technical corrections, clarifications and minor substantive changes to the tax laws. The amendment also adds a fiscal note to the bill.

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