

# MAINE STATE LEGISLATURE

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L.D. 1647

DATE: 5-20-99

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TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1150, L.D. 1647, Bill, "An Act to Reimburse Collectors of Sales and Use Taxes"

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 §1951-A, sub-§3 is enacted to read:

3. Collection allowance. A retailer with annual gross taxable sales of less than \$250,000 who collects and remits taxes in a timely manner in accordance with this Part may deduct and retain a portion of those taxes as a collection allowance as reimbursement for the collection of taxes and administrative functions required by this Part. The amount deducted and retained may not exceed the lesser of 2.5% of the taxes collected or \$50 per month per retailer.'

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

FISCAL NOTE

Table with 3 columns: REVENUES, 1999-00, 2000-01. Rows include General Fund and Other Funds with corresponding dollar amounts.

COMMITTEE AMENDMENT

RWS

COMMITTEE AMENDMENT "A" to H.P. 1150, L.D. 1647

2           This bill, authorizing the retention of a portion of sales  
4 and use tax as a collection allowance for certain retailers, will  
6 decrease sales and use tax collections by \$1,138,781 in fiscal  
8 year 1999-00 and \$1,726,683 in fiscal year 2000-01. The  
10 reduction of these tax collections will decrease the amounts  
12 transferred to the Local Government Fund for state-municipal  
14 revenue sharing in those years by \$58,078 and \$88,061,  
16 respectively. The resulting net reductions of General Fund  
18 revenue will be \$1,080,703 in fiscal year 1999-00 and \$1,638,622  
20 in fiscal year 2000-01.

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

**SUMMARY**

20           This amendment permits retailers with annual gross taxable  
22 sales of less than \$250,000 to retain a collection allowance  
24 equal to the lesser of 2.5% of taxes collected or \$50 per month.  
26 Retailers must remit taxes in a timely manner to be eligible for  
the collection allowance.

The amendment also adds a fiscal note to the bill.