

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

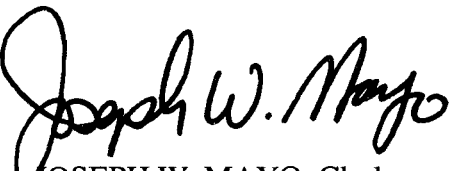
No. 2055

H.P. 1432

House of Representatives, March 25, 1999

**An Act to Eliminate the Sales Tax on Labor for Installing Telephone,
Telegraph and Related Equipment.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative SKOGLUND of St. George.
Cosponsored by Representative SIROIS of Caribou.

Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 36 MRSA §1752, sub-§18-A, as amended by PL 1997, c. 668, §22, is further amended to read:

18-A. Telephone or telegraph service. "Telephone or telegraph service" means all telecommunications or telegraph service, not including installation or use of telecommunication or telegraphic equipment, but and not including telecommunications or telegraph service originating or terminating outside this State. "Telecommunications or telegraphic equipment" means any 2-way interactive communications device, system or process for transmitting or receiving signals and capable of exchanging audio, database or textual information. "Telecommunications service" does not include access services provided by a local exchange carrier to an interstate or intrastate interexchange carrier. "Telephone or telegraph service" does not include directory advertising service. This subsection applies to leases entered into prior to October 1, 1996.

Sec. 2. 36 MRSA §1752, sub-§18-B, as amended by PL 1997, c. 668, §23, is further amended to read:

18-B. Telephone or telegraph service. "Telephone or telegraph service" means all telecommunications or telegraph service, not including installation of telecommunication or telegraphic equipment, but and not including telecommunications or telegraph service originating or terminating outside this State. "Telecommunications and telegraph equipment" means any 2-way interactive communications device, system or process for transmitting or receiving signals and capable of exchanging audio, database or textual information. ~~"Telecommunications and telegraph equipment" does not include computers, except these components of a computer used primarily and directly as a 2-way interactive communications device capable of exchanging audio, database or textual information.~~ "Telephone or telegraph service" does not include directory advertising service. This subsection applies to leases entered into on or after October 1, 1996.

Sec. 3. 36 MRSA §1811, 2nd ¶, as amended by PL 1977, c. 198, §6, is further amended to read:

The tax imposed upon the sale and distribution of gas, water or electricity, or telephone or telegraph service, by any public utility, the rates for which sale and distribution are established by the Public Utilities Commission, shall must be added to the rates so established. ~~No~~ A tax shall may not be imposed upon the sale or use of electrical energy, or water stored for the purpose of generating electricity, when the sale is to or by a wholly owned subsidiary by or to its parent

2 corporation, except for electrical energy or water purchased for
3 resale to or by such wholly owned subsidiary. A tax may not be
4 imposed on the service or installation of telecommunication
5 services, telegraph services or telecommunication-related or
6 telegraph-related computer services.

8 SUMMARY

10 This bill eliminates the sales tax on the service or
11 installation of telecommunication services, telegraph services or
12 telecommunication-related or telegraph-related computer services.