

# MAINE STATE LEGISLATURE

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173

L.D. 2102

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DATE: May 7, 1999

(Filing No. S- 236 )

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**TAXATION**

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Reported by:

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

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COMMITTEE AMENDMENT " A " to S.P. 743, L.D. 2102, Bill, "An Act to Exempt from Use Tax Merchandise that is Donated to a Nonprofit Organization"

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Amend the bill in section 3 in that part designated "~~\$1864.~~" in the first paragraph in the 2nd line (page 1, line 14 in L.D.) by striking out the following: "or distributor donates" and inserting in its place the following: 'donates from inventory'

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

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**FISCAL NOTE**

34

**1999-00**

**2000-01**

36

**REVENUES**

38

General Fund

(\$449,445)

(\$681,473)

Other Funds

(24,153)

(36,623)

40

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The use tax exemption for any merchandise donated by a retailer or distributor will decrease sales and use tax collections by \$473,598 in fiscal year 1999-00 and \$718,096 in fiscal year 2000-01. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$24,153 and

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**COMMITTEE AMENDMENT**

R. S.

COMMITTEE AMENDMENT "A" to S.P. 743, L.D. 2102

2 \$36,623, respectively. The resulting net reductions of General  
Fund revenue will be \$449,445 in fiscal year 1999-00 and \$681,473  
4 in fiscal year 2000-01.

6 The Bureau of Revenue Services will incur some minor  
additional costs to implement this new use tax exemption. These  
8 costs can be absorbed within the bureau's existing budgeted  
resources.'

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**SUMMARY**

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This amendment removes ambiguous language, requires that  
eligible donations must be from the retailer's inventory and adds  
16 a fiscal note.

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