

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

Handwritten initials "RWS" with a scribble above.

L.D. 2458

DATE: 3-20-00

(Filing No. H-897)

TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

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

COMMITTEE AMENDMENT "A" to H.P. 1752, L.D. 2458, Bill, "An Act to Reduce the State Rate for Tax on Telecommunications Personal Property"

Amend the bill in section 1 by striking out all of subsection 2 and inserting in its place the following:

'2. Tax imposed. A tax is imposed on telecommunications personal property at the rate of 27 mills times the just value of the property for assessments determined as of May 15, 1999; 25 mills times the just value of the property for assessments determined as of May 30, 2000; 23 mills times the just value of the property for assessments determined as of May 30, 2001; 21 mills times the just value of the property for assessments determined as of May 30, 2002; and 20 mills times the just value of the property for assessments determined as of May 30, 2003 and thereafter. Just value is determined as of the April 1st preceding the assessment.'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Report. The Public Utilities Commission shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters by January 15, 2004 identifying the extent to which the tax reductions contained in this Act have resulted in reduced local and long-distance telephone rates.'

COMMITTEE AMENDMENT

R. G. S.

COMMITTEE AMENDMENT "A" to H.P. 1752, L.D. 2458

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

FISCAL NOTE

	1999-00	2000-01
<b>REVENUES</b>		
General Fund	(\$2,923,484)	(\$5,370,370)

The phased-in reduction of the tax rate on telecommunications personal property will decrease General Fund revenue by \$2,923,484 in fiscal year 1999-00, \$5,370,370 in fiscal year 2000-01, \$7,518,519 in fiscal year 2001-02 and \$8,055,556 in fiscal year 2002-03 and thereafter. The minor additional costs associated with implementing the tax rate reductions can be absorbed by the Bureau of Revenue Services utilizing existing budgeted resources.

The Governor's proposed 2000-2001 supplemental budget bill, L.D. 2510, includes a similar proposal to phase in a reduction of the tax rate on telecommunications personal property. L.D. 2510 also includes a proposal to eliminate the provision requiring prepayment of the subsequent year's tax. If the prepayment of the tax is eliminated, the annual revenue loss associated with the phased-in reduction of the tax rate will be reduced.

The Public Utilities Commission will incur some minor additional costs to provide a report to the Legislature on the effect of the tax reductions on local and long-distance telephone rates. These costs can be absorbed within the commission's existing budgeted resources.'

SUMMARY

This amendment provides that the tax rate for the telecommunications personal property tax for assessments made in 2003 and thereafter must be 20 mills. The amendment also requires a report by the Public Utilities Commission to the joint standing committee of the Legislature having jurisdiction over taxation matters in 2004 identifying the impact of the tax reduction on telephone rates.