

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)

m
R 112

L.D. 2602

DATE: 4-3-00

(Filing No. H-1014)

**MAJORITY
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 I.B. 6, L.D. 2602, Bill, "An Act to Repeal the Sales Tax on Snack Food Except Candy and Confections"

Amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

2000-01

REVENUES

General Fund	(\$13,779,856)
Other Funds	(740,540)

This is an initiated bill. Unless enacted without change during the Second Regular Session of the 119th Legislature, this bill and any competing bills must be submitted to the voters. The estimated cost of sending this bill and any competing bills out to referendum will vary according to the total number of referenda to be submitted to the voters in November. The estimated cost to the Secretary of State if one to 6 referenda are submitted is \$121,392. Each additional referendum costs an additional \$8,000.

If enacted by the Legislature without change, the repeal of the sales tax on snack foods will decrease sales tax collections by \$14,520,396 in fiscal year 2000-01, \$16,673,267 in fiscal year 2001-02 and \$17,548,613 in fiscal year 2002-03. The reduction of

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to I.B. 6, L.D. 2602

2 these tax collections will decrease the amounts transferred to
the Local Government Fund for state-municipal revenue sharing in
those years by \$740,540, \$850,337 and \$894,979, respectively.
4 The resulting net reductions of General Fund revenue will be
\$13,779,856 in fiscal year 2000-01, \$15,822,930 in fiscal year
6 2001-02 and \$16,653,634 in fiscal year 2002-03.

8 This estimate assumes an effective date of August 1, 2000.
If this measure is sent out to referendum and approved by the
10 voters, the effective date may either be in late December of 2000
or late January of 2001, depending on whether sufficient
12 resources are available to offset the loss of "snack tax"
revenue. The estimated General Fund revenue loss in fiscal year
14 2000-01, will be \$7,533,369, if this bill is effective January 1,
2001, and \$6,589,254, if it is effective February 1, 2001.

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

22 **SUMMARY**

24 This amendment is the majority report of the committee. The
amendment adds a fiscal note.