

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)

37
408

L.D. 577

DATE: 4-24-01

(Filing No. H-153)

MINORITY
TAXATION

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50

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

STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 456, L.D. 577, Bill, "An Act to Create Equitable Taxation of Leased Property"

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 §1760, sub-§2, as amended by PL 1997, c. 729, Pt. A, §1, is further amended to read:

2. **Certain governmental entities.** Sales to the State or any political subdivision, or to the Federal Government, or to any unincorporated agency or instrumentality of either of them or to any incorporated agency or instrumentality of them wholly owned by them. This exemption does not apply where title is held or taken as security for any financing arrangement. This exemption also does not apply to federal instrumentalities to the extent they are subject to state taxation pursuant to federal law, including, but not limited to, banks for cooperatives, agricultural credit banks, production credit associations, agricultural credit associations and corporations organized under Title IV, Part E of the Farm Credit Act of 1971, 12 United States Code, Sections 2211 to 2214.

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

FISCAL NOTE

2001-02 2002-03

COMMITTEE AMENDMENT

REVENUES

2
4
6
8
10
12
14
16
18
20
22
24
26
28

General Fund	\$894,195	\$1,245,563
Other Funds	48,055	66,937

The exclusion of certain farm credit organizations from the sales and use tax exemption for certain governmental entities will increase sales and use tax collections by \$942,250 in fiscal year 2001-02 and \$1,312,500 in fiscal year 2002-03. The increase of these tax collections will increase the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$48,055 and \$66,937, respectively. The resulting net increase of General Fund revenue will be \$894,195 in fiscal year 2001-02 and \$1,245,563 in fiscal year 2002-03.

The Department of Administrative and Financial Services, Bureau of Revenue Services will incur some minor additional costs to administer the new provisions. These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

This amendment expands the types of federally authorized farm credit organizations that are excluded from the sales tax exemption for certain governmental entities. The amendment also adds a fiscal note to the bill.