

# MAINE STATE LEGISLATURE

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L.D. 581

DATE: 4-5-01

(Filing No. H-100)

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**TAXATION**

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

14 **STATE OF MAINE**  
**HOUSE OF REPRESENTATIVES**  
16 **120TH LEGISLATURE**  
**FIRST REGULAR SESSION**

18 COMMITTEE AMENDMENT "A" to H.P. 460, L.D. 581, Bill, "An  
20 Act to Exempt Certain Organizations from the Meals and Lodging  
22 Tax"

24 Amend the bill in section 1 in subsection 84 in the 2nd line  
(page 1, line 6 in L.D.) by striking out the following: "an" and  
26 inserting in its place the following: 'a nonprofit'

28 Further amend the bill in section 1 in subsection 84 in the  
4th line (page 1, line 8 in L.D.) by inserting after the  
30 following: "event" the following: 'sponsored by the auxiliary  
organization'

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

36 **FISCAL NOTE**

	2001-02	2002-03
<b>REVENUES</b>		
General Fund	(\$61,623)	(\$85,838)
Other Funds	(3,312)	(4,613)

44 The sales tax exemption for certain sales by American Legion  
46 auxiliary organizations will decrease sales and use tax  
48 collections by \$64,935 in fiscal year 2001-02 and \$90,451 in  
50 fiscal year 2002-03. 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 \$3,312 and  
\$4,613, respectively. The resulting net reductions of General

**COMMITTEE AMENDMENT**

COMMITTEE AMENDMENT "A" to H.P. 460, L.D. 581

2 Fund revenue will be \$61,623 in fiscal year 2001-02 and \$85,838  
in fiscal year 2002-03. This estimate assumes an effective date  
of October 1, 2001.

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

10  
12 **SUMMARY**

14 This amendment clarifies that the sales tax exemption  
applies only to nonprofit auxiliary organizations of the American  
16 Legion and to fund-raising events that are sponsored by the  
auxiliary organization. The amendment also adds a fiscal note to  
18 the bill.