

MAINE STATE LEGISLATURE

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ACIS

L.D. 169

DATE: 3/24/05

(Filing No. H-78)

TAXATION

Majority

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 120, L.D. 169, Bill, "An Act To Amend the Law Regarding Resale Certificates"

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 §1754-B, sub-§§2-B and 2-C, as enacted by PL 2003, c. 673, Pt. AAA, §2, are amended to read:

2-B. Provisional resale certificates; new accounts. The assessor shall issue a provisional resale certificate to each applicant for initial registration that states on its application that it expects to make annual gross sales of ~~\$10,000~~ \$3,000 or more. A provisional resale certificate issued between January 1st and September 30th is effective for the duration of the calendar year in which it is issued and the 2 subsequent years. A provisional resale certificate issued between October 1st and December 31st is effective until the end of the next 3rd succeeding calendar year. Each certificate must contain the name and address of the retailer, the expiration date of the certificate and the certificate number. If a vendor has a true copy of a retailer's resale certificate on file, that retailer need not present the certificate for each subsequent transaction with that vendor during the calendar-year period for which it is valid.

2-C. Annual resale certificates; contents; presentation to vendor. The assessor shall annually periodically review the status of each retailer registered under this section. On or before ~~December 31st of each year~~ the date of expiration of a resale certificate, the assessor shall issue to each registered retailer with gross sales of ~~\$10,000~~ \$3,000 or more during the 12 months preceding the assessor's review an annual a resale

COMMITTEE AMENDMENT

certificate effective for the next succeeding 3 calendar year years. Each certificate must contain the name and address of the retailer, the expiration date of the certificate and the certificate number. If a vendor has a true copy of a retailer's resale certificate on file, that retailer need not present the certificate for each subsequent transaction with that vendor during the calendar-year period for which it is valid.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Maine Revenue Services 0002

Initiative: Provides one-time funds for the printing and mailing costs associated with the change in resale certificates.

GENERAL FUND	2005-06	2006-07
All Other	\$4,000	\$0
GENERAL FUND TOTAL	<u>\$4,000</u>	<u>\$0</u>

SUMMARY

This amendment is the majority recommendation of the Joint Standing Committee on Taxation. It changes the threshold for issuance of resale certificates from \$10,000 to \$3,000 in annual gross sales and extends the duration of resale certificates from one year to 3 years.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 169

LR 0044(02)

An Act To Amend the Law Regarding Resale Certificates

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Majority Report

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$45,333	\$92,282	\$95,973	\$99,812
Appropriations/Allocations				
General Fund	\$4,000	\$0	\$0	\$0
Revenue				
General Fund	(\$41,333)	(\$92,282)	(\$95,973)	(\$99,812)
Other Special Revenue Funds	(\$2,267)	(\$5,062)	(\$5,264)	(\$5,475)

Fiscal Detail and Notes

The change in the issuance of resale certificates will result in a General Fund revenue loss of \$41,333 in fiscal year 2005-06 and \$92,282 in fiscal year 2006-07. This bill also includes a one-time General Fund appropriation of \$4,000 in fiscal year 2005-06 for Maine Revenue Services for the additional printing and mailing costs associated with these changes.



Sec. x **Appropriations and Allocations.** The following appropriations and allocations are made.

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