

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1585

H.P. 1121

House of Representatives, April 26, 2005

An Act To Provide a Temporary Sales Tax Exemption for Prescription Drugs for Animals

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McKENNEY of Cumberland.
Cosponsored by Senator PERRY of Penobscot and
Representatives: CLOUGH of Scarborough, PLUMMER of Windham, WOODBURY of
Yarmouth.

2 **Emergency preamble.** Whereas, acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 **Whereas,** under current law, sales of prescription medicines
for humans are exempt from the state sales tax; and

8 **Whereas,** based on that exemption, veterinarians and other
sellers of prescription medicines historically have not collected
10 sales tax for prescription medicines for animals; and

12 **Whereas,** it has only recently been clarified that sales tax
must be collected for sales of prescription drugs for animals; and

14
16 **Whereas,** it would be unjust to require the payment of sales
tax not collected for sales of prescription drugs for animals due
to the difficulty in attempting to collect it retrospectively; and

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20 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
22 necessary for the preservation of the public peace, health and
safety; now, therefore,

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26 **Be it enacted by the People of the State of Maine as follows:**

28 **Sec. 1. Sales tax exemption for prescription drugs for animals until
July 1, 2005.** Notwithstanding the Maine Revised Statutes, Title
36, section 1811, sales of medicines for animals sold on a
doctor's prescription occurring before July 1, 2005 are exempt
30 from the sales and use tax imposed pursuant to Title 36, Part 3.

32 **Sec. 2. Retroactivity; application.** This Act applies to all
sales of medicines for animals sold on a doctor's prescription
34 occurring before July 1, 2005. Notwithstanding section 1, a
person who has paid sales tax on sales of medicines for animals
36 is not entitled to a refund of the sales tax paid. A person who
has collected sales tax on the sales of medicine for animals
38 shall remit that tax as required by the Maine Revised Statutes,
Title 36, chapter 219.

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42 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

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SUMMARY

48 This bill provides until July 1, 2005 a sales tax exemption

2 for sales of medicines for animals sold on a doctor's
prescription. If a person collected sales tax on the sale of
4 medicines for animals prior to July 1, 2005, that person is
required to remit those taxes to the State Tax Assessor.