

MAINE STATE LEGISLATURE

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L.D. 1891

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DATE: 1-4-06

(Filing No. S-430)

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STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to H.P. 1332, L.D. 1891, Bill, "An Act To Provide Funding for the Low Income Home Energy Assistance Program"

Amend the bill by striking out the title and substituting the following:

'An Act To Provide Funding for the the Low Income Home Energy Assistance Program and Provide Heating Assistance to Small Businesses'

Further amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 36 MRSA §1811, first ¶, as amended by PL 2001, c. 439, Pt. TTTT, §2 and affected by §3, is further amended to read:

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7% on the value of prepared food; beginning March 1, 2006, 2.5% on the value of fuel purchased to heat a business that is not a manufacturing facility and that has no more than 50,000 square feet of space and employs 3 or more employees; and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided.'

Further amend the bill in section 2 in the 2nd line (page 1, line 29 in L.D.) by striking out the following: "section 3" and inserting in its place the following: 'this Act'

SENATE AMENDMENT

2008

SENATE AMENDMENT "A" to H.P. 1332, L.D. 1891

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Further amend the bill by inserting after section 3 the following:

Sec. 4. 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 additional printing and mailing costs associated with the change in the tax rate and to modify the return form.

GENERAL FUND	2005-06	2006-07
All Other	\$20,000	\$0
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$20,000	\$0'

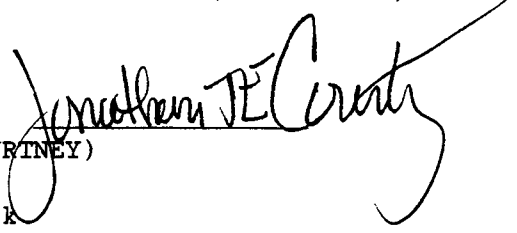
Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

Under current law, the sale of fuel, when purchased for heating homes, apartments and hotels is exempt from sales tax, but when purchased for heating a business is subject to the 5% sales tax. This amendment reduces from 5% to 2.5% the sales tax imposed on fuel purchased to heat a business if that business has no more than 50,000 square fee of space and employs 3 or more employees.

This amendment also includes a one-time General Fund appropriation of \$20,000 in fiscal year 2005-06 for Maine Revenue Services for the additional administrative costs associated with the change in the tax rate.

FISCAL NOTE REQUIRED
(See attached)

SPONSORED BY: 
(Senator COURTNEY)
COUNTY: York

SENATE AMENDMENT



122nd MAINE LEGISLATURE

LD 1891

LR 3064(03)

An Act To Provide Funding for the Low Income Home Energy Assistance Program

Fiscal Note for Senate Amendment "A"

Sponsor: Sen Courtney

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$1,233,676	\$4,398,615	\$4,481,860	\$4,571,497
Appropriations/Allocations				
General Fund	\$20,000	\$0	\$0	\$0
Revenue				
General Fund	(\$1,213,676)	(\$4,398,615)	(\$4,481,860)	(\$4,571,497)
Other Special Revenue Funds	(\$65,224)	(\$236,385)	(\$245,840)	(\$250,757)

Fiscal Detail and Notes

Reducing the sales tax from 5% to 2.5% on fuel purchased for heating a business of no more than 50,000 square feet employing 3 or more people is expected to decrease General Fund revenue by \$1,213,676 in fiscal year 2005-06 and \$4,398,615 in fiscal year 2006-07. This amendment also includes a one-time General Fund appropriation of \$20,000 in fiscal year 2005-06 for Maine Revenue Services for the additional administrative costs associated with the change in the tax rate.