

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 690

H.P. 521

House of Representatives, February 9, 2007

An Act Regarding the Sales Tax

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PIEH of Bremen.

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

2 **CONCEPT DRAFT**
3 **SUMMARY**

4 This bill is a concept draft pursuant to Joint Rule 208.

5 This bill proposes to amend the sales tax laws in the following ways:

6 1. All statutory exemptions from the sales tax would be repealed;

7 2. The general sales tax rate would be lowered from 5% to 3%;

8 3. Each business or person collecting sales tax would be entitled to retain 1/2 cent of
9 the 3 cents per dollar imposed;

10 4. A mechanism would be established to increase or decrease the sales tax rate based
11 on projected revenue shortfalls or surpluses; and

12 5. All revenue generated by this bill above current sales tax revenue would be used
13 to decrease property tax rates through such methods as increasing education funding and
14 raising the homestead property tax exemption amount.