

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1300

H.P. 918

House of Representatives, March 9, 2007

An Act To Return a Portion of Sales, Lodging and Meals Taxes to Municipalities

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CHASE of Wells.
Cosponsored by Senator NASS of York and
Representatives: HOTHAM of Dixfield, KNIGHT of Livermore Falls, LANSLEY of Sabattus,
RAND of Portland.

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

2 **Sec. 1. 30-A MRSA §5686** is enacted to read:

3 **§5686. Sales tax disbursement**

4 Beginning with fiscal year 2007, the Treasurer of State shall disburse annually to a
5 municipality an amount equal to 10% of the difference between that fiscal year's gross
6 revenue in taxes and fiscal year 2006's gross revenue in taxes collected under the 7% tax
7 imposed on tangible personal personal property and taxable services pursuant to Title 36,
8 section 1811 in that municipality. If a fiscal year's taxes collected in a municipality under
9 the 7% tax pursuant to Title 36, section 1811 is less than those taxes collected in 2006 in
10 that municipality, the municipality may not receive any revenue under this section for that
11 fiscal year. The State Treasurer shall disburse the amount due under this section and an
12 accounting of the amount to the municipality no later than 6 months after the end of that
13 fiscal year. The amount received under this section by a municipality may not reduce or
14 be reduced by any other revenue sharing or state aid received by that municipality. An
15 amount received by a municipality under this section must be used by the municipality to
16 reduce property tax revenues in that municipality in an amount equal to the amount
17 received in the fiscal year that the revenue is received.

18

SUMMARY

19 This bill requires the Treasurer of State to disburse to a municipality an amount equal
20 to 10% of the difference between the sales tax on all tangible personal property and
21 taxable services collected in that municipality in a fiscal year and the amount collected in
22 that municipality in fiscal year 2006. If the amount of sales taxes collected in a fiscal
23 year in a municipality is below that collected in 2006, then the municipality receives no
24 revenue under this bill. The amount received under this bill may not reduce any other
25 state aid or revenue sharing received by that municipality, and the municipality must use
26 the amount received under this bill to reduce property taxes by the same amount.