# MAINE STATE LEGISLATURE

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## 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

Legislative Document

No. 1597

H.P. 1119

House of Representatives, March 21, 2007

An Act Regarding the Service Provider Tax

(AFTER DEADLINE)

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 MOORE of Standish.
Cosponsored by Senator DIAMOND of Cumberland and
Representatives: KAENRATH of South Portland, ROBINSON of Raymond.

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

- Sec. 1. 30-A MRSA §5681, sub-§5, as amended by PL 2005, c. 12, Pt. E, §1, is further amended to read:
  - 5. Transfers to funds. On the last day of each month, the Treasurer of State shall transfer to the Local Government Fund a percentage, as provided in this subsection, of the receipts from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A to F E, and credited to the General Fund without any reduction, except that the postage, state cost allocation program and programming costs of administering state-municipal revenue sharing may be paid by the Local Government Fund. Any amounts transferred to the Local Government Fund in excess of the annual growth ceiling must be transferred to the Disproportionate Tax Burden Fund. The percentage transferred to the Local Government Fund on the last day of each month is:
- A. For months beginning before July 1, 2007, 5.1%; and
- B. For months beginning on or after July 1, 2007, 5.2%.
- Sec. 2. 36 MRSA §2552, sub-§1, ¶F, as amended by PL 2005, c. 12, Pt. VV, §2, is repealed.
- Sec. 3. 36 MRSA §2559, as amended by PL 2005, c. 386, Pt. S, §7 and affected by §9, is further amended to read:

### 19 §2559. Application of revenues

Revenues derived by the tax imposed by this chapter must be credited to a General Fund suspense account. On or before the last day of each month, the State Controller shall transfer a percentage of the revenues received by the State Tax Assessor during the preceding month pursuant to the tax imposed by section 2552, subsection 1, paragraphs A to FE to the Local Government Fund as provided by Title 30-A, section 5681, subsection 5. The balance remaining in the General Fund suspense account must be transferred to service provider tax General Fund revenue. On or before the 15th day of each month, the State Controller shall transfer all revenues received by the assessor during the preceding month pursuant to the tax imposed by section 2552, subsection 1, paragraphs G to K to the Medical Care Services Other Special Revenue Funds account, the Other Special Revenue Funds Mental Health Services - Community Medicaid program, the Medicaid Services - Mental Retardation program and the Office of Substance Abuse - Medicaid Seed program within the Department of Health and Human Services.

33 SUMMARY

This bill removes the installation, maintenance and repair of telecommunications equipment from the service provider tax.