

MAINE STATE LEGISLATURE

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SMS
A. O. B.

Date: 5-16-12

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 187,
L.D. 234, Bill, "An Act To Provide a Sales Tax Exemption to Commercial
Horticulturists"

Amend the amendment by striking out everything after the title and before the
summary and inserting the following:

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

'Resolve, To Study Application of the Sales Tax Based on Affiliate Nexus'

Amend the bill by striking out everything after the title and inserting the following:

'Sec. 1. Affiliate nexus, study and report. Resolved: That the Department of
Administrative and Financial Services, Bureau of Revenue Services shall convene a
working group to study the issues involved in the application of the sales tax to retailers
with an affiliate nexus in the State. The working group must include representatives of
the Maine State Chamber of Commerce, the Maine Merchants Association, the Maine
chapter of the National Federation of Independent Businesses and the College of
Business, Public Policy and Health at the University of Maine.

The working group shall review the experience of other states that collect sales tax based
on affiliate nexus, especially New York and Rhode Island, solicit comments from Maine
businesses regarding taxation based on affiliate nexus and analyze the issues presented by
such taxation.

By January 15, 2013, the bureau shall present a report to the joint standing committee of
the Legislature having jurisdiction over taxation matters describing the information
collected by the working group during its review, analyzing the potential impact of
taxation based on affiliate nexus in the State and containing recommendations for
consideration by the Legislature. The joint standing committee may submit legislation to
the First Regular Session of the 126th Legislature regarding the report.'

SUMMARY

This amendment replaces the statutory changes in the committee amendment with a
resolve directing the Department of Administrative and Financial Services, Bureau of
Revenue Services to convene a working group to study the issues involved in the

HOUSE AMENDMENT

1 application of the sales tax to retailers with an affiliate nexus in the State and directing the
2 bureau to present a report on the issues to the 126th Legislature by January 15, 2013.

3 **SPONSORED BY:** 

4 **(Representative CUSHING)**

5 **TOWN: Hampden**

FISCAL NOTE REQUIRED
(See attached)



125th MAINE LEGISLATURE

LD 234

LR 633(08)

Resolve, To Study Application of the Sales Tax Based on Affiliate Nexus

Fiscal Note for House Amendment "A" to Committee Amendment "B"

Sponsor: Rep. Cushing, III of Hampden

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$0	(\$9,500)	(\$9,785)	(\$10,079)
Revenue				
General Fund	\$0	\$9,500	\$9,785	\$10,079
Other Special Revenue Funds	\$0	\$500	\$515	\$530

Fiscal Detail and Notes

The amendment removes the sales tax exemption provided in the committee amendment for commercial horticulturalists and replaces it with a resolve directing the Bureau of Revenue Services to convene a working group to study the application of the sales tax to retailers with affiliate nexus in Maine. The Bureau is to report the working group's findings and recommendations to the 126th Legislature by January 15, 2013. The revenue effects of the statutory changes proposed in the committee amendment have been incorporated into LD 1746; the fiscal note reflects the elimination of the revenue effects of the exemption from this bill. Any costs associated with the conduct of the study and the preparation of the working group's report can be absorbed by the Bureau of Revenue Services and the University of Maine within existing budgeted resources.