

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SMG
R. 4. 8.

Date: 4/26/11

Minority

TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

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

COMMITTEE AMENDMENT "A" to H.P. 362, L.D. 469, Bill, "An Act To Increase the Collection of Sales and Use Tax"

Amend the bill in section 1 in §1766 in subsection 2 by striking out all of the last underlined sentence (page 1, lines 12 to 14 in L.D.)

Amend the bill in section 1 in §1766 by striking out all of subsections 3 and 4 (page 1, lines 15 to 33 in L.D.) and inserting the following:

3. Manner of notification. The notice required under subsection 2 must be made in the following manner.

A. If the purchase is made through a website of the retailer, the notice must be easily identifiable by the purchaser either on the page displayed as a summary of the costs of the transaction or through a link from that page.

B. If the retailer provides catalogs, any order form or instructions included in the catalog must contain the notice.

C. If the purchase is made through any means other than under paragraph A or B, the notice must be sent in an easily identifiable written communication included with the shipment or in any confirmation of shipment.

4. Contents of notice. A notice provided under this section must clearly state that sales or use tax may be due on the purchase under the law of this State and that the retailer does not collect sales or use tax for the State. The notice must also provide information regarding how to contact the bureau for further information or to pay the tax. The assessor may adopt routine technical rules as defined under Title 5, chapter 375, subchapter 2-A to provide further specifications or required language for the notice.'

SUMMARY

This amendment clarifies the contents of the notice of sales and use tax liability that must be provided to buyers at the time of sale when a retailer is not required to collect sales tax in the State. It removes the civil violation and fine associated with failure to

COMMITTEE AMENDMENT

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 362, L.D. 469

1 provide the notice and removes requirements that the retailer provide an annual
2 notification to the purchaser and to the Department of Administrative and Financial
3 Services, Bureau of Revenue Services.

4

FISCAL NOTE REQUIRED

5

(See attached)

COMMITTEE AMENDMENT



125th MAINE LEGISLATURE

LD 469

LR 136(02)

An Act To Increase the Collection of Sales and Use Tax

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Current biennium revenue increase - General Fund
Current biennium revenue increase - Other Special Revenue Funds

Fiscal Detail and Notes

Requiring out-of-state retailers to notify purchasers in the state of the obligation to pay sales and use tax may increase tax collections credited to the General Fund and the Local Government Fund. The amount will depend on the number of Maine purchasers who are persuaded to pay additional taxes based on receiving notification from out-of-state retailers. Given the high uncertainty on the compliance rate of those receiving notification, no estimate is made of the additional revenue.