

# MAINE STATE LEGISLATURE

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L.D. 590

Date: 2/23/12

(Filing No. H-718)

**TAXATION**

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

COMMITTEE AMENDMENT "C" to H.P. 448, L.D. 590, Bill, "An Act To Require Review of Certain Changes to Sales Tax Policy Application or Practice prior to Implementation"

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

**'An Act To Codify the Review Practice of Certain Changes in the Application of the Sales and Use Tax Law'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**'Sec. 1. 36 MRS §194-A is enacted to read:**

**§194-A. Review of certain changes in the application of sales and use tax law**

**1. Consultation.** Before implementing a significant change in policy, practice or interpretation of the sales and use tax law that would result in additional revenue, the bureau shall consult with the Office of the Attorney General to determine if the change should be reviewed by the appropriate legislative committee of oversight. If the consultation results in an agreement that a proposed change in policy, practice or interpretation of the sales and use tax law is a significant change that would result in additional revenue and should be reviewed by the appropriate legislative committee of oversight, the bureau shall notify the appropriate legislative committee of oversight pursuant to subsection 2.

**2. Notification and review.** If, pursuant to subsection 1, the Office of the Attorney General and the bureau agree that a proposed change in policy, practice or interpretation of the sales and use tax law is a significant change that would result in additional revenue and should be reviewed by the appropriate legislative committee of oversight, the bureau shall notify the chairs of the appropriate legislative committee of oversight of the results of the consultation at least 45 days prior to implementation of the change in policy, practice or interpretation of the sales and use tax law, if reasonably practicable. The chairs of the legislative committee of oversight shall notify all committee members in

**COMMITTEE AMENDMENT**

1 writing of the proposed change in policy, practice or interpretation of the sales and use  
2 tax law and may schedule a time for committee review and discussion.

3 **3. Report.** The bureau shall report annually by January 15th to the joint standing  
4 committee of the Legislature having jurisdiction over taxation matters regarding the  
5 consultation process and, consistent with attorney-client privilege and any other legal  
6 privilege and legal confidentiality requirements, provide a brief summary of the issues for  
7 which a consultation was sought and the results of each consultation.

8 **4. Assessment validity.** The provisions of this section establish a procedural  
9 consultation and reporting requirement to assist routine legislative oversight. It does not  
10 affect the validity of any assessment or tax liability under this Title.'

11 **SUMMARY**

12 This amendment changes the title and replaces the bill. It codifies and expands upon  
13 previously enacted but unallocated law and the current practice of the Department of  
14 Administrative and Financial Services, Bureau of Revenue Services related to  
15 implementing a significant change in policy, practice or interpretation of the sales and use  
16 tax law that would result in additional revenue. It requires the bureau to consult with the  
17 Office of the Attorney General to determine if the change should be reviewed by the  
18 appropriate legislative committee of oversight prior to implementation. The amendment  
19 requires the bureau to notify the committee chairs at least 45 days prior to the  
20 implementation of the change in policy, practice or interpretation of the sales and use tax  
21 law, if reasonably practicable. It requires the bureau to report annually to the joint  
22 standing committee of the Legislature having jurisdiction over taxation matters on the  
23 consultation process and to summarize the issues as permitted by law. It also specifies  
24 that the provisions proposed in this amendment establish a procedural consultation and  
25 reporting requirement to assist routine legislative oversight and do not affect the validity  
26 of any assessment or tax liability under current law.

**FISCAL NOTE REQUIRED**  
(See attached)



# 125th MAINE LEGISLATURE

LD 590

LR 1599(07)

**An Act To Require Review of Certain Changes to Sales Tax Policy Application or Practice prior to Implementation**

**Fiscal Note for Bill as Amended by Committee Amendment "C" (H-718)**  
**Committee: Taxation**  
**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - General Fund

### Fiscal Detail and Notes

The bill as amended codifies previously enacted but unallocated law, which is the current practice of Maine Revenue Services, regarding consultation with the Attorney General's Office related to significant changes in policy, practice or interpretation of the sales and use tax law. Any costs are expected to be minor and can be absorbed by the Department of the Attorney General and Maine Revenue Services within existing budgeted resources.