

# MAINE STATE LEGISLATURE

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Date: 5/18/11

Majority

L.D. 1384  
(Filing No. H-288)

TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1017, L.D. 1384, Bill, "An Act To Provide a Sales Tax Holiday Weekend"

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

'An Act To Provide a Sales Tax Holiday'

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

'Sec. 1. 36 MRSA §1760, sub-§92 is enacted to read:

92. Sales tax holiday. On the Saturday of Columbus Day weekend from 12:01 a.m. to 11:59 p.m., sales of clothing or Energy Star products except the sale of an individual item of clothing the price of which exceeds \$200 or the sale of an Energy Star product the price of which exceeds \$1,500. Transfer of possession of or payment in full for the property must occur on that day and prior sales or layaway sales are ineligible. For the purposes of this subsection, "Energy Star product" means a product that qualifies under the Energy Star program of the United States Environmental Protection Agency and United States Department of Energy.

For the purposes of this subsection, "clothing" means all apparel for humans suitable for general use.

A. "Clothing" includes aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; diapers, children and adult, including disposable diapers; ear muffs; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoelaces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; uniforms, athletic and nonathletic; and wedding apparel.

B. "Clothing" does not include belt buckles sold separately; costume masks sold separately; patches and emblems sold separately; sewing equipment and supplies,

COMMITTEE AMENDMENT

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1 including, but not limited to, knitting needles, patterns, pins, scissors, sewing  
2 machines, sewing needles, tape measures and thimbles; and sewing materials that  
3 become part of clothing, including, but not limited to, buttons, fabric, lace, thread,  
4 yarn and zippers.

5 **Sec. 2. Appropriations and allocations.** The following appropriations and  
6 allocations are made.

7 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
8 **Revenue Services - Bureau of 0002**

9 Initiative: Appropriates one-time funds to add a new line to the sales and use tax return  
10 and ongoing funds to mail notices to retailers with instructions for handling the sales tax  
11 holidays.

12	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
13	All Other	\$15,000	\$5,000
14			
15	<b>GENERAL FUND TOTAL</b>	<u>\$15,000</u>	<u>\$5,000</u>
16			

17 **SUMMARY**

18 This amendment changes the bill by limiting the sales tax holiday to one day and  
19 limiting the exemption from the sales tax to the sale of individual items of clothing up to  
20 \$200 and Energy Star products up to \$1,500. The amendment eliminates the provisions  
21 requiring certification of the amount of sales tax unpaid as well as revenue raised as a  
22 result of the sales tax holiday and submission of a report to the Joint Standing Committee  
23 on Taxation. It also adds an appropriations and allocations section.

24 **FISCAL NOTE REQUIRED**

25 (See attached)



# 125th MAINE LEGISLATURE

LD 1384

LR 666(02)

## An Act To Provide a Sales Tax Holiday Weekend

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

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$2,061,300	\$2,141,337	\$2,226,791	\$2,297,888
<b>Appropriations/Allocations</b>				
General Fund	\$15,000	\$5,000	\$5,000	\$5,000
<b>Revenue</b>				
General Fund	(\$2,046,300)	(\$2,136,337)	(\$2,221,791)	(\$2,292,888)
Other Special Revenue Funds	(\$107,700)	(\$112,439)	(\$116,936)	(\$120,678)

### Fiscal Detail and Notes

Providing a sales tax exemption on each Saturday of the Columbus Day weekend for sales of \$200 or less of clothing and sales of Energy Star qualified products costing \$1,500 or less will reduce sales tax revenue to the General Fund and reduce revenue sharing starting in fiscal year 2011-12. This bill also contains an appropriation for \$10,000 in one-time costs in fiscal year 2011-12 to change the sales and use tax return as well as an ongoing appropriation of \$5,000 each fiscal year for additional mailing and notice costs.