

MAINE STATE LEGISLATURE

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5/13/13
ROBS

L.D. 318

Date: 4/4/13

Minority

(Filing No. H- 41)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 227, L.D. 318, Bill, "An Act To Establish a Sales Tax Holiday for Purchases Made during the Month of January"

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

'An Act To Designate a Sales Tax Holiday'

Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 36 MRSA §1760, sub-§95 is enacted to read:

95. Sales tax holiday. Sales on the fourth Saturday in August 2014 of clothing and school supplies, excluding sales of individual items of clothing with a price that exceeds \$200, sales of individual items of school supplies with a price that exceeds \$100 and clothing or school supplies that are transferred through a prior sale or layaway sale.

For the purposes of this subsection, "clothing" means apparel meant to be worn by humans, including belts, caps, coats, dresses, gloves, hats, hosiery, jackets, neckties, pants, scarves, school uniforms, shirts, shoes, socks, sneakers and underwear, and excludes clothing accessories, protective equipment, sports equipment and recreational equipment. For the purposes of this subsection, "school supplies" means binders, book bags, backpacks, calculators, chalk, crayons, erasers, folders, glue, lunch boxes, notebooks, paper, pens, pencils, rulers, scissors, tape, clay, paints, paintbrushes, drawing pads and watercolors, and excludes computers, computer software, disks and printers. The State Tax Assessor shall adopt rules further defining clothing and school supplies. Rules adopted pursuant to this subsection are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

This subsection is repealed September 1, 2015.

Sec. 2. Report. By December 31, 2014, the Department of Administrative and Financial Services, Bureau of Revenue Services shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the estimated impact of the sales tax holiday pursuant to the Maine Revised Statutes, Title 36, section 1760, subsection 95 and recommendations for an annual sales tax holiday beginning in

COMMITTEE AMENDMENT

ROFS

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2015. The joint standing committee may submit a bill pertaining to the report to the First Regular Session of the 127th Legislature.'

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF Revenue Services, Bureau of 0002

Initiative: Provides a one-time General Fund appropriation to the Bureau of Revenue Services for sales tax reporting requirements related to a sales tax holiday on August 23, 2014.

10	GENERAL FUND	2013-14	2014-15
11	All Other	\$0	\$150,000
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13	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$150,000</u>
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SUMMARY

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This amendment replaces the bill and creates a one-time sales tax holiday on August 23, 2014, exempting from sales tax the purchase of individual items of clothing costing \$200 or less and individual items of schools supplies costing \$100 or less. It requires the Department of Administrative and Financial Services, Maine Revenue Services to report to the joint standing committee of the Legislature having jurisdiction over taxation matters the estimated impact of the sales tax holiday and recommendations for an annual sales tax holiday beginning in 2015. It authorizes the joint standing committee to submit a bill pertaining to the report to the First Regular Session of the 127th Legislature.

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FISCAL NOTE REQUIRED

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(See attached)



126th MAINE LEGISLATURE

LD 318

LR 924(02)

An Act To Establish a Sales Tax Holiday for Purchases Made during the Month of January

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-41)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$3,665,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$150,000	\$0	\$0
Revenue				
General Fund	\$0	(\$3,515,000)	\$0	\$0
Other Special Revenue Funds	\$0	(\$185,000)	\$0	\$0

Fiscal Detail and Notes

Exempting purchases of individual clothing items costing \$200 or less and individual school supplies costing \$100 or less made on August 23, 2014 from the sales tax reduces General Fund revenue by \$3,515,000 and Municipal Revenue Sharing by \$185,000 in FY 2014-15. This bill includes a one-time General Fund appropriation to Maine Revenue Services in fiscal year 2014-15 for sales tax reporting requirements.