

MAINE STATE LEGISLATURE

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MS
ROES

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L.D. 427

2

Date: 6/5/13

Minority

(Filing No. H-363)

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TAXATION

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

7

126TH LEGISLATURE

8

FIRST REGULAR SESSION

9

COMMITTEE AMENDMENT "A" to H.P. 299, L.D. 427, Bill, "An Act To
10 Authorize Options for Local Revenue Enhancement"

11

Amend the bill in section 1 in §1817 by striking out all of subsection 2 (page 1, lines
12 9 to 14 in L.D.) and inserting the following:

13

2. Authorization to impose local option sales tax. A municipality by referendum
14 conducted pursuant to subsection 8 may impose a local option sales tax of no more than
15 1% on those items that are part of the sales tax base, except for items that are excluded
16 under subsection 3, and may limit the period of time the tax is imposed to specified
17 months of the year. A municipality that adopts a local option sales tax pursuant to this
18 section may not alter the range of items subject to sales taxation under this Part.

19

3. Excluded items. A municipality may not impose a local option sales tax on
20 aircraft, furniture as defined in section 2551, subsection 4, items used in production,
21 machinery and equipment as defined in section 1752, subsection 7-B, motor vehicles,
22 watercraft or major household appliances. For purposes of this section, "major household
23 appliance" means a piece of equipment used for a specific function in the home purchased
24 for more than \$500 excluding tax.'

25

Amend the bill in section 1 in §1817 in subsection 8 in the question in the first line
26 (page 2, line 13 in L.D.) by striking out the following: "5%" and inserting the following:
27 '1%'

28

Amend the bill in section 1 in §1817 by inserting at the end the following:

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'10. Repeal. This section is repealed on December 31, 2016.'

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Amend the bill in section 1 in §1817 to renumber the subsections to read
31 consecutively.

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SUMMARY

This amendment, which is the minority report, limits the local option sales tax to 1%, excludes certain items from the base on which a local option sales tax may be imposed and repeals the authorization for a local option sales tax on December 31, 2016.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 427

LR 425(02)

An Act To Authorize Options for Local Revenue Enhancement

Fiscal Note for Bill as Amended by Committee Amendment

A(H-363)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium cost increase - General Fund

Fiscal Detail and Notes

Allowing participating municipalities to impose a local option sales tax of up to 1% of the purchase price of eligible items upon approval of the local option sales tax by local referendum will require Maine Revenue Services to determine the applicable tax revenue attributable to each municipality. Additional administrative costs associated with this determination will be paid for from local option sales tax revenue collected unless the allowable administrative costs are greater than 2% of the total local option sales tax revenue generated, in which case a General Fund appropriation would be required to cover excess administrative expense. Maine Revenue Services anticipates that the costs to establish a new computer program to account for the local option sales tax collection and disbursement would be in the vicinity of \$1,400,000.