

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 915

H.P. 643

House of Representatives, March 7, 2017

An Act To Lower Property Taxes

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HYMANSON of York.
Cosponsored by Senator WOODSOME of York and
Representatives: ALLEY of Beals, HOGAN of Old Orchard Beach, MASTRACCIO of
Sanford, SKOLFIELD of Weld.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 30-A MRSA §5686** is enacted to read:

3 **§5686. Local sales tax sharing**

4 **1. Local sales tax determination.** Beginning September 1, 2018 and annually
5 thereafter, the State Tax Assessor shall, based on available taxable retail sales data as
6 derived from state sales tax collections, determine the amount of sales tax revenue
7 attributable to each municipality and the unorganized territory under Title 36, Part 3 for
8 the previous fiscal year and certify those amounts to the State Controller and the
9 Treasurer of State.

10 **2. Transfers.** By September 15, 2018 and annually thereafter, the State Controller
11 shall transfer 5% of the amount certified under subsection 1 by the State Tax Assessor to
12 a local sales tax account, which must be established for this purpose.

13 **3. Payments to municipalities and the unorganized territory.** The Treasurer of
14 State shall pay by October 15th annually to each municipality and the Unorganized
15 Territory Education and Services Fund under Title 36, section 1605, from the local sales
16 tax account established pursuant to subsection 2, an amount equal to 5% of the sales tax
17 revenue for the previous fiscal year attributable to the municipality and the unorganized
18 territory as certified by the State Tax Assessor under subsection 1. The amount received
19 under this section by a municipality or the fund may not reduce or be reduced by any
20 other revenue sharing or state aid received by the municipality or the fund. A
21 municipality or the fiscal administrator of the unorganized territory shall reduce the
22 property tax levy, as defined in section 5721-A, subsection 1, paragraph D, in an amount
23 equal to the payments received under this section in the fiscal year that the local sales tax
24 revenue is received.

25 **SUMMARY**

26 This bill requires payments beginning in fiscal year 2018-19 to a municipality of an
27 amount, as determined by the State Tax Assessor, equal to 5% of the sales and use tax
28 revenue attributable to the municipality in the previous fiscal year. The amount received
29 may not reduce any other state aid or revenue sharing received by that municipality, and
30 the municipality must use the amount received to reduce property taxes by the same
31 amount. The Unorganized Territory Education and Services Fund receives the local sales
32 tax payment for the unorganized territory and is subject to the same requirement to use
33 the revenue to reduce property taxes.