

MAINE STATE LEGISLATURE

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Min

RCS

LD 695

Date 5-25-23

Minority

(Filing No H-235)

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TAXATION

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

7

131ST LEGISLATURE

8

FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT "B" to HP 464, LD 695, "An Act to Exempt Nonprofit Land Trusts from Sales Tax"

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

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'An Act to Eliminate the Sales and Use Tax'

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

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'Sec. 1. 36 MRSA c. 227 is enacted to read

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CHAPTER 227

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SALES AND USE TAX ELIMINATION

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§2201. Elimination of sales and use tax

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For tax years beginning on or after January 1, 2026, tax may not be collected under this Part

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Sec. 2. Department of Administrative and Financial Services review and report; references to sales and use tax. The Department of Administrative and Financial Services shall review the provisions of the Maine Revised Statutes that refer to the State's sales and use tax and submit a report, including suggested legislation, to the 132nd Legislature by January 15, 2025 identifying any changes necessary to implement this Act'

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively

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COMMITTEE AMENDMENT

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SUMMARY

This amendment replaces the bill and changes the title. The amendment eliminates the sales and use tax effective January 1, 2026. The amendment requires the Department of Administrative and Financial Services to review the Maine Revised Statutes related to the sales and use tax and report to the Legislature by January 15, 2025 with recommended legislation necessary to implement the elimination.

FISCAL NOTE REQUIRED

(See attached)



131st MAINE LEGISLATURE

LD 695

LR 570(03)

An Act to Exempt Nonprofit Land Trusts from Sales Tax

Fiscal Note for Bill as Amended by Committee Amendment "B" (H-235)
 Committee: Taxation
 Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$0	\$771,721,945	\$2,187,563,353
Revenue				
General Fund	\$0	\$0	(\$771,721,945)	(\$2,187,563,353)
Other Special Revenue Funds	\$0	\$0	(\$42,046,533)	(\$133,124,543)

Fiscal Detail and Notes

Eliminating the sales and use tax for tax years on or after January 1, 2026 will reduce General Fund revenue by \$771,721,945 in fiscal year 2025-26 and \$2,187,563,353 in fiscal year 2026-27. The bill will also reduce distributions to Other Special Revenue Funds by \$42,046,533 in fiscal year 2025-26 and \$113,124,543 in fiscal year 2026-27.

The Department of Administrative and Financial Services is required to review the provisions of statute that relate to the sales and use tax and suggest legislation for elimination by January 15, 2025. Any suggested legislation may include funding of costs to implement the elimination of the sales and use tax over and above the loss of revenue shown above.