

MAINE STATE LEGISLATURE

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Date 6/20/23 *Minority* LD 1747
(Filing No H-628)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H P 1126, L D 1747, "An Act to Return the Sales Tax Rate to 5 Percent"

Amend the bill by inserting after section 3 the following

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made

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

Initiative Provides one-time funding for computer programming to implement changes to the sales tax

GENERAL FUND	2023-24	2024-25
All Other	\$50,000	\$0
GENERAL FUND TOTAL	<u>\$50,000</u>	<u>\$0</u>

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

SUMMARY

This amendment adds an appropriations and allocations section

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 1747

LR 1078(02)

An Act to Return the Sales Tax Rate to 5 Percent

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Taxation

Fiscal Note Required: Yes

A (H-628)

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$45,000,200	\$136,678,400	\$145,297,750	\$147,428,600
Appropriations/Allocations				
General Fund	\$50,000	\$0	\$0	\$0
Revenue				
General Fund	(\$44,950,200)	(\$136,678,400)	(\$145,297,750)	(\$147,428,600)
Other Special Revenue Funds	(\$2,365,800)	(\$7,193,600)	(\$7,647,250)	(\$7,759,400)

Fiscal Detail and Notes

Reducing the sales tax rate from 5.5% to 5.25% beginning October 1, 2023 and further reducing the rate to 5% beginning July 1, 2024 will decrease General Fund revenue by \$44,950,200 in fiscal year 2023-24 and \$136,678,400 in fiscal year 2024-25. It will also decrease Local Government Fund revenue by \$2,365,800 in fiscal year 2023-24 and \$7,193,600 in fiscal year 2024-25. Any revenues derived from sales on Passamaquoddy, Penobscot, or Maliseet tribal lands taxable at the 5.5% rate would also be impacted, resulting in small reductions in the Passamaquoddy, Penobscot, and Maliseet Sales Tax Funds. These fund distributions are not separately estimated.

The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$50,000 in fiscal year 2023-24 for computer programming costs associated with the changes to the sales tax.