

# MAINE STATE LEGISLATURE

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L D 1755

Date 6/14/23

(Filing No S-315)

**TAXATION**

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**STATE OF MAINE  
SENATE  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S P 701, L D 1755, "An Act to Exempt All Youth Development Nonprofit Organizations from Sales Tax and the Service Provider Tax"

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

**'An Act to Exempt Certain Youth Development Nonprofit Organizations from Sales Tax and the Service Provider Tax'**

Amend the bill in section 1 in subsection 56 in the 2nd line (page 1, line 5 in L D ) by inserting after the following "~~setting,~~" the following 'that have been determined by the United States Internal Revenue Service to be exempt from taxation under Section 501(c)(3) of the Code'

Amend the bill in section 2 in subsection 18 in the 2nd line (page 1, line 10 in L D ) by inserting after the following "~~setting~~" the following 'that have been determined by the United States Internal Revenue Service to be exempt from taxation under Section 501(c)(3) of the Code'

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 administrative costs to implement a tax exemption for sales to certain nonprofit youth organizations

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$3,680	\$0
<b>GENERAL FUND TOTAL</b>	<b>\$3,680</b>	<b>\$0</b>

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to S P 701, L D 1755 (5315)

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

3 **SUMMARY**

4 This amendment provides that a nonprofit youth organization must have been  
5 determined by the United States Internal Revenue Service to be exempt from taxation under  
6 Section 501(c)(3) of the United States Internal Revenue Code of 1986 to be eligible for the  
7 sales and use tax exemption or the service provider tax exemption. The amendment also  
8 adds an appropriations and allocations section.

9 **FISCAL NOTE REQUIRED**

10 (See attached)



# 131st MAINE LEGISLATURE

LD 1755

LR 1462(02)

## An Act to Exempt All Youth Development Nonprofit Organizations from Sales Tax and the Service Provider Tax

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-315)  
Committee: Taxation  
Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$83,480	\$164,350	\$169,100	\$173,850
<b>Appropriations/Allocations</b>				
General Fund	\$3,680	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	(\$79,800)	(\$164,350)	(\$169,100)	(\$173,850)
Other Special Revenue Funds	(\$4,200)	(\$8,650)	(\$8,900)	(\$9,150)

### Fiscal Detail and Notes

This bill provides a sales and service provider tax exemption for sales on or after January 1, 2024 to nonprofit youth organizations exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code. It will reduce General Fund revenue by \$79,800 in fiscal year 2023-24 and \$164,350 in fiscal year 2024-25. It will also reduce Local Government Fund revenue by \$4,200 in fiscal year 2023-24 and \$8,650 in fiscal year 2024-25.

The bill includes a one-time General Fund appropriation of \$3,680 in fiscal year 2023-24 to the Department of Administrative and Financial Services, Bureau of Revenue Services for administrative costs associated with implementing the tax exemption.