

# MAINE STATE LEGISLATURE

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Date: 3/26/24 Majority

L.D. 2143  
(Filing No. H-866)

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1367, L.D. 2143, "An Act to Dedicate the Revenue from the Sales Tax on Electricity to Low-income Ratepayer Assistance"

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

**'An Act to Exempt from Sales Tax the Sale and Delivery of All Residential Electricity'**

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

**'Sec. 1. 36 MRSA §1760, sub-§9-B,** as amended by PL 2021, c. 713, §§1 to 3 and affected by §4, is further amended to read:

**9-B. Residential electricity.** Sale and delivery of residential electricity as follows:

A. ~~The~~ Until January 1, 2025, the first 750 kilowatt hours of residential electricity per month;

B. ~~Off-peak~~ Until January 1, 2025, ~~off-peak~~ residential electricity used for space heating or water heating by means of an electric thermal storage device. For the purpose of this paragraph, "off-peak residential electricity" means the off-peak delivery of residential electricity pursuant to tariffs on file with the Public Utilities Commission and the electricity supplied; ~~and~~

C. ~~Residential~~ Until January 1, 2025, ~~residential~~ electricity consumed by eligible customers enrolled in a low-income assistance program implemented pursuant to Title 35-A, section 3214, subsection 2 or an arrearage management program implemented pursuant to Title 35-A, section 3214, subsection 2-A; ~~and~~

D. Beginning January 1, 2025, the sale and delivery of all residential electricity.

For the purpose of this subsection, "residential electricity" means electricity furnished to buildings designed and used for both human habitation and sleeping, with the exception of hotels. When residential electricity is furnished through one meter to more than one residential unit and when the transmission and distribution utility applies its tariff on a per unit basis, the furnishing of electricity is considered a separate sale for each unit to which

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to H.P. 1367, L.D. 2143

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the tariff applies. For the purpose of this subsection, "delivery" means transmission and distribution.'

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

**SUMMARY**

This amendment replaces the bill, changes the title and expands the sales tax exemption for the sale and delivery of residential electricity to cover all sales of residential electricity beginning January 1, 2025.

**FISCAL NOTE REQUIRED**

(See attached)



# 131st MAINE LEGISLATURE

LD 2143

LR 2894(03)

## An Act to Dedicate the Revenue from the Sales Tax on Electricity to Low-income Ratepayer Assistance

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-866)

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	\$0	\$5,928,000	\$14,118,000	\$14,799,000
<b>Revenue</b>				
General Fund	\$0	(\$5,928,000)	(\$14,118,000)	(\$14,799,000)
Other Special Revenue Funds	\$0	(\$257,000)	(\$740,000)	(\$776,000)

#### Fiscal Detail and Notes

Expanding the current sales tax exemption for residential electricity to exempt the sale and delivery of all residential electricity beginning January 1, 2025 will reduce revenue to the General Fund by \$5,928,000 in fiscal year 2024-25 and reduce revenue to the Local Government Fund by \$257,000 in fiscal year 2024-25. In the next two fiscal years, General Fund revenue will decrease by approximately \$14.5 million per year on average and Local Government Fund revenue will decrease by approximately \$760,000 per year on average.