

MAINE STATE LEGISLATURE

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Date: 8/26/24 Minority L.D. 2143 (Filing No. H-867)

TAXATION

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

COMMITTEE AMENDMENT "B" 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 Dedicate the Revenue from the Sales Tax on Residential Electricity to Low-income Ratepayer Assistance'

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

'Sec. 1. 36 MRSA §1822 is enacted to read:

§1822. Use of revenue from tax on residential electricity

Notwithstanding any provision of law to the contrary, beginning October 1, 2025 and every October 1st thereafter, the State Controller shall transfer to the Maine State Housing Authority, Low-income Home Energy Assistance - MSHA, Other Special Revenue Funds account for the Low-Income Assistance Program and statewide plan administered by the Maine State Housing Authority needed to help low-income homeowners and renters pay for electricity costs by providing a credit on the homeowners' and renters' electricity bills an amount, as certified by the assessor, that is equivalent to 100% of the revenue from the tax imposed under this Part on the sales and delivery of residential electricity for the prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5. The amount certified by the assessor pursuant to this section must be based on actual sales and delivery of residential electricity for that fiscal year and may not consider any sales and delivery of residential electricity exempt pursuant to section 1760, subsection 9-B or any accruals that may be required by law. As used in this section, "delivery" and "residential electricity" have the same meanings as in section 1760, subsection 9-B.

The assessor may require each transmission and distribution utility, as defined in Title 35-A, section 102, subsection 20-B, that sells and delivers electricity to report to the bureau the amount of sales tax collected on sales and delivery of residential electricity.

COMMITTEE AMENDMENT

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Sec. 2. 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 to implement changes to sales tax returns, audit papers and revenue accounting for the transfer of tax revenue from sales and delivery of residential electricity to Maine State Housing Authority's Low-income Home Energy Assistance Program.

GENERAL FUND	2023-24	2024-25
All Other	\$0	\$52,840
GENERAL FUND TOTAL	\$0	\$52,840

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

SUMMARY

This amendment replaces the bill and clarifies that the transfer of sales tax related to certain electricity covers sales tax attributable to the sales and delivery of residential electricity. The amendment changes the time period for the transfer of revenue from the sales tax on sales and delivery of residential electricity from 6 months to 12 months. The amendment authorizes the State Tax Assessor to require each transmission and distribution utility that sells and delivers electricity to report to the Department of Administrative and Financial Services, Bureau of Revenue Services the amount of sales tax collected on sales and delivery of residential electricity.

FISCAL NOTE REQUIRED
(See attached)



131st MAINE LEGISLATURE

LD 2143

LR 2894(02)

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 "B" (H-867)

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	\$52,840	\$13,458,000	\$14,115,000
Appropriations/Allocations				
General Fund	\$0	\$52,840	\$0	\$0
Other Special Revenue Funds	\$0	\$0	\$13,458,000	\$14,115,000
Transfers				
General Fund	\$0	\$0	(\$13,458,000)	(\$14,115,000)
Other Special Revenue Funds	\$0	\$0	\$13,458,000	\$14,115,000

Fiscal Detail and Notes

Requiring revenue received by the State from the sales tax on sales and delivery of electricity be transferred to the Low-income Home Energy Assistance Program within the Maine State Housing Authority beginning on October 1, 2025 will reduce General Fund revenue by \$13,458,000 in fiscal year 2025-26 and \$14,115,000 in fiscal year 2026-27 and increase revenue to the Low-income Home Energy Assistance Program by the same amounts. The program will require Other Special Revenue Funds allocations of \$13,458,000 and \$14,115,000 in fiscal years 2025-26 and 2026-27, respectively, to authorize the expenditure of these funds to provide a credit on eligible homeowners' and renters' electricity bills.

The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$52,840 in fiscal year 2024-25 to implement changes to sales tax returns, audit papers and revenue accounting for the transfer of sales tax revenue to the Low-Income Home Energy Assistance Program.