

MAINE STATE LEGISLATURE

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N I N E T Y - E I G H T H L E G I S L A T U R E

Legislative Document

No. 1410

H. P. 986

House of Representatives, March 26, 1957.

Referred to the Committee on Taxation. Sent up for concurrence and 1500 copies ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Elwell of Brooks.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-SEVEN

**AN ACT Increasing Sales Tax with Exemptions on Water, Fuel and
Electricity for Domestic Use.**

Emergency preamble. Whereas, the essential needs of State Government require that additional revenue be raised by this Legislature; and

Whereas, the revenue to be collected under the provisions of this act may not be sufficient to provide for said needs during the next fiscal biennium unless the tax is imposed on retail sales made on and after the date of the beginning of the next fiscal year, namely, July 1, 1957; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 17, § 3, amended. The 1st sentence of section 3 of chapter 17 of the Revised Statutes is hereby amended to read as follows:

‘A tax is imposed at the rate of ~~2%~~ 3% on the value of all tangible personal property, sold at retail in this State **on and after July 1, 1957**, measured by the sale price, except as in this chapter provided.’

Sec. 2. R. S., c. 17, § 4, amended. The 1st sentence of section 4 of chapter 17 of the Revised Statutes is hereby amended to read as follows:

'A tax is imposed on the storage, use or other consumption in this State of tangible personal property, purchased at retail sale **on and after July 1, 1957**, at the rate of ~~2%~~ 3% of the sale price.'

Sec. 3. R. S., c. 17, § 5, amended. Section 5 of chapter 17 of the Revised Statutes, as amended by chapter 330 of the public laws of 1955, is hereby further amended to read as follows:

'**Sec. 5. Adding tax to sale price.** Every retailer shall add the sales tax imposed by this chapter, or the average equivalent of said tax, to his sale price, except as ~~hereinafter~~ **otherwise** provided, and when added the tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price. When the sale price shall involve a fraction of a dollar, the tax shall be added to the sale price upon the following schedules:

Amount of Sale Price	Amount of Tax
\$0.01 to \$0.18 \$0.10, inclusive	No tax 0c
.19 .11 to .74 .35, inclusive	1c
.75 .36 to 1.24 .65, inclusive	2c
.66 to .99, inclusive	3c
Add 1c tax plus the above rate for each 50c or fraction thereof exceeding \$1.24.	

When the sale price exceeds 99c, the tax to be added to the price shall be 3c for each whole dollar, plus the amount indicated above for each fractional part of a dollar.

When several articles are purchased together and at the same time, the tax shall be computed on the total amount of the several items.

Breakage under this section shall be retained by the retailer as compensation for the collection.'

Sec. 4. R. S., c. 17, § 10, sub-§ IX, repealed and replaced. Subsection IX of section 10 of chapter 17 of the Revised Statutes is hereby repealed and the following enacted in place thereof:

'IX. Fuel and electricity. Fuel and electricity when bought for use in homes and other buildings used solely for human habitation and sleeping, and in hotels and apartment houses. When fuel is bought for use in buildings which are used not only as homes, for human habitation or sleeping, or as hotels or apartment houses but also for some other use, the proportion of the fuel employed in connection with such other use shall not be exempt. Such proportion may be estimated and the State Tax Assessor may by regulation provide how much estimate shall be made and given effect. When electricity is bought for such multiple use, no part thereof shall be exempted unless the electricity for exempt use shall be separately metered.'

Sec. 5. R. S., c. 17, § 10, sub-§ IX-A, additional. Section 10 of chapter 17 of the Revised Statutes is hereby amended by adding thereto a new subsection to be numbered IX-A, to read as follows:

'IX-A. Water. Water purchased by any individual for use exclusively in his home and upon the land surrounding the same; provided said water shall not be exempt if, without separate metering or separate intake, the premises supplied with water shall be used not only for the home of the purchaser but also for a store, place of business, farm or any other purpose.'

Sec. 6. Effective date. Sales made after June 30, 1957, pursuant to contracts entered into prior thereto, shall be subject to the tax imposed by this act.

Emergency clause. In view of the emergency cited in the preamble, this act shall take effect when approved.