

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND TWELFTH LEGISLATURE  
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON  
TAXATION  
BILL SUMMARY



MAY 1986

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BILL SUMMARIES  
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This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature, covering the Second Regular Session of the 112th Legislature. The summaries are arranged by LD number under each committee.

All Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "CA" if it is a committee amendment. If the amendment was adopted in the House, the letter H appears after the sponsor. If it was adopted in the Senate, the letter S appears.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-AM	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

**LD 238** AN ACT RELATING TO AN INCREASE IN CIGARETTE EXCISE TAX LVWD

Sponsor: MARTIN J, Violette, Diamond J, Cashman  
Committee Report: LVWD

SUMMARY: Held over from First Regular Session. Would make increase in cigarette tax, which became effective October 1, 1985, contingent upon a corresponding decrease in the federal excise tax on the same date.

**LD 354** AN ACT TO PHASE OUT THE SALES AND USE TAX ON ENERGY USED IN MANUFACTURING ND LD 2193

Sponsor: CASHMAN, Zirkilton, Diamond G, Twitchell  
Committee Report: OTP-ND LD

SUMMARY: See new draft, LD 2193.

**LD 450** AN ACT TO IMPOSE A SALES TAX ON CERTAIN SERVICES ONTP

Sponsor: BRANNIGAN  
Committee Report: ONTP

SUMMARY: Held over from First Regular Session. Extends sales tax to a broad range of services. Reduces sales tax to 4%. Increases state-municipal revenue sharing to 6.1% beginning February 1, 1986. Revenue impact:

	1985-86	1986-87
GENERAL FUND	(1,700,000)	(\$9,200,000)
LOCAL GOVERNMENT FUND	3,500,000	8,700,000

**LD 608** AN ACT TO REVISE THE FRANCHISE TAX ON FINANCIAL INSTITUTIONS ONTP

Sponsor: MAYO, Andrews, Jacques  
Committee Report: ONTP

SUMMARY: Held over from First Regular Session. Doubles bank franchise tax. Would raise approximately \$600,000 annually according to 1985 estimate. See also LDs 2310 and 2393.