



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 119

H.P. 101

House of Representatives, January 29, 2013

**An Act To Exempt from the Use Tax \$1,000 of Internet Purchases
from Out-of-state Sellers**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WILSON of Augusta.
Cosponsored by Senator MASON of Androscoggin and
Representatives: CROCKETT of Bethel, FITZPATRICK of Houlton, FREDETTE of Newport,
JOHNSON of Eddington, McCLELLAN of Raymond, SANDERSON of Chelsea,
TIMBERLAKE of Turner, WILLETTE of Mapleton.

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

2 **Sec. 1. 36 MRSA §1861-A**, as amended by PL 2007, c. 240, Pt. W, §1 and
3 affected by §2, is further amended to read:

4 **§1861-A. Reporting use tax on individual income tax returns**

5 The assessor shall provide that individuals report use tax on items with a sale price of
6 \$5,000 or less on their Maine individual income tax returns. Taxpayers are required to
7 attest to the amount of their use tax liability for the period of the tax return.
8 Alternatively, they may elect to report an amount that is .08% of their Maine adjusted
9 gross income. A taxpayer electing to satisfy a use tax liability by estimating it shall
10 calculate the liability in accordance with the use tax table. The estimated liability is
11 applicable only to purchases of any individual items each having a sale price no greater
12 than \$1,000. Notwithstanding section 1861, beginning October 1, 2013, the first \$1,000
13 of aggregate Internet purchases from out-of-state sellers may be excluded annually from
14 the estimated liability. For each taxable item with a sale price greater than \$1,000 but no
15 more than \$5,000, the actual use tax liability for each purchase must be added to the
16 amount of the estimated liability derived from the use tax table. Upon subsequent review,
17 if use tax liability for the period of the return exceeds the amount of use tax paid with the
18 return, a credit of that amount paid relative to the item or items being supplementarily
19 assessed is allowed. Use tax on any item with a sale price of more than \$5,000 must be
20 reported in accordance with section 1951-A.

21 **Sec. 2. Effective date.** This Act takes effect October 1, 2013.

22 **SUMMARY**

23 This bill allows taxpayers to exclude from their estimated use tax liability \$1,000 of
24 annual Internet purchases from out-of-state sellers.