

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by inserting after section 9 the following:

‘Sec. 10. 36 MRSA §1811, first ¶, as amended by PL 2007, c. 410, §5 and affected by §6 and amended by c. 444, §1, is repealed and the following enacted in its place:

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile, including a loaner vehicle that is provided other than to a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's warranty; 7% on the value of prepared food; 3% on the value of electricity and coal, oil, wood and other fuel used for cooking and heating in a business with 50 or fewer employees; and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided. As used in this section "loaner vehicle" has the same meaning as in section 1752, subsection 11, paragraph B, subparagraph (8). The value of rental for a period of less than one year of an automobile is the total rental charged to the lessee and includes, but is not limited to, maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges on the rental agreement to recover the owner's estimated costs of the charges imposed by government authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State. All fees must be disclosed when an estimated quote is provided to the lessee.

Sec. 11. 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 funds for the administrative costs associated with the change in the sales tax rate for certain business energy products.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$30,000
GENERAL FUND TOTAL	\$0	\$30,000

Sec. 12. Effective date. That section of this Act that repeals and replaces the Maine Revised Statutes, Title 36, section 1811, first paragraph takes effect July 1, 2009.’

SUMMARY

In order to offset the increase in the minimum wage, this amendment reduces the sales tax imposed on a business with 50 or fewer employees for fuel oil and electricity from 5% to 3% effective July 1, 2009. This amendment also corrects a conflict created by Public Law 2007, chapters 410 and 444, which affected the same provision of law, by incorporating the changes made by both laws. It also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
(See attached)