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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1432, L.D. 2011, Bill, "An Act To Update Certain Provisions in the Income Tax and Service Provider Tax Laws"

Amend the bill in Part A in section 2 by striking out all of subsection 2-B (page 1, lines 26 to 33 in L.D.) and inserting the following:

2-B. Digital audio-visual and digital audio services. "Digital audio-visual and digital audio services" means the electronic transfer of digital audio-visual works and digital audio works to an end user with the right of less than permanent use granted by the seller, including when conditioned upon continued payment from the purchaser or a subscription.

For purposes of this subsection:

A. "End user" means a person other than a person who receives by contract a product transferred electronically for further commercial broadcast, rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution or exhibition of the product, in whole or in part, to another person;

B. "Permanent" means perpetual or for an indefinite or unspecified length of time;

C. "Subscription" means an agreement with a seller that grants a purchaser the right to obtain products transferred electronically, in a fixed quantity or for a fixed period of time, or both; and

D. "Transfer electronically" or "electronic transfer" means obtainment by the purchaser by means other than tangible storage media.'

Amend the bill in Part A by striking out all of section 8 and inserting the following:

'Sec. A-8. 36 MRSA §2556-A is enacted to read:

§2556-A. Sourcing for sales of digital audio-visual and digital audio services

The sale of digital audio-visual and digital audio services is sourced in this State pursuant to this section.





1 Code of 1986 if the property or services sold are to be used primarily for the purposes for  
2 which the nonprofit organization was organized. The amendment requires the  
3 Department of Administrative and Financial Services, Bureau of Revenue Services,  
4 Office of Tax Policy to review sales tax and service provider tax exemptions to identify  
5 provisions that should be repealed or amended because they are duplicative or otherwise  
6 unnecessary and to submit legislation repealing or modifying those exemptions. The  
7 amendment also adds an appropriations and allocations section.

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**FISCAL NOTE REQUIRED**

**(See attached)**