

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 striking out the title and substituting the following:

'An Act To Reduce the Sales Tax'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §1752, sub-§1-I is enacted to read:

1-I. Amusement, entertainment and recreation services. "Amusement, entertainment and recreation services" includes but is not limited to the following services, except those services provided by a governmental entity or an incorporated nonprofit organization: admission to entertainment venues and performances, including theaters, movies, lectures, concerts, amusement parks, water parks, fairgrounds, race tracks, carnivals, circuses, sports activities, stadiums, amphitheatres, museums, planetariums, animal parks, petting zoos, aquariums, historical sites, state parks and convention centers; fees charged for participation in or entry to golf courses, miniature golf courses, ski areas, bowling alleys, swimming pools, skating rinks, billiard parlors, gymnasiums, go-cart courses, tennis and racquetball courts and paintball; admission fees charged for exhibition shows such as auto, boat, camping, home, garden, animal and antique shows; scenic and sightseeing excursions including whitewater rafting, guided recreation, but excluding guided recreation services on federally navigable waters, and aircraft, helicopter, balloon, blimp, watercraft, railroad, bus, trolley and wagon rides; lessons and training in such areas as music, sports, dance, martial arts, gymnastics, physical fitness, art and crafts; entertainment services such as those provided by bands, orchestras, disc jockeys, comedians, clowns, jugglers, children's entertainers and ventriloquists; proceeds from arcade games; and fees paid to for-profit recreation and vacation camps for tuition and recreation services.

Sec. 2. 36 MRSA §1752, sub-§17-B, as enacted by PL 2003, c. 673, Pt. V, §19 and affected by §29, is amended to read:

17-B. Taxable service. "Taxable service" means the rental of living quarters in a hotel, rooming house, tourist or trailer camp; the transmission and distribution of electricity; the rental or lease of an automobile; ~~and the sale of prepaid calling service; and amusement, entertainment and recreation services.~~

Sec. 3. 36 MRSA §1811, first ¶, as amended by PL 2001, c. 439, Pt. TTTT, §2 and affected by §3, is further amended to read:

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%4%~~ 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; ~~7%4%~~ on the value of prepared food; and ~~5%4%~~ on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided.

Sec. 4. 36 MRSA §1811, 3rd ¶, as repealed and replaced by PL 2003, c. 510, Pt. C, §12 and affected by §13, is amended to read:

Rental or lease of an automobile for one year or more must be taxed at the time of the lease or rental transaction at ~~5%~~4% of the following: the total monthly lease payment multiplied by the number of payments in the lease or rental, the amount of equity involved in any trade-in and the value of any cash down payment. Collection and remittance of the tax is the responsibility of the person that negotiates the lease transaction with the lessee.

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Office of Tourism 0577

Initiative: Deallocates funds to the Tourism Marketing Promotion Fund due to the decrease in certain sales tax revenue.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$0	(\$1,204,091)
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	(\$1,204,091)

SUMMARY

This amendment reduces the sales tax on tangible personal property and taxable services to 4%. It also reduces the sales tax on lodging and prepared food to 4%. It imposes a 4% tax on amusement, entertainment and recreation services.

It also adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)