

**126th MAINE LEGISLATURE****LD 1722****LR 2346(07)****An Act To Exempt from Sales and Use Tax Sales of Publications To Be Distributed without Charge and Printed Materials Included in Publications****Fiscal Note for Bill as Engrossed with:****C "A" (H-609)****S "A" (S-536) to C "A" (H-609)****Committee: Taxation****Fiscal Note**

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>Projections FY 2015-16</b>	<b>Projections FY 2016-17</b>
<b>Net Cost (Savings)</b>				
General Fund	\$1,234,335	(\$1,314,985)	(\$1,841,319)	(\$1,774,421)
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$284,906	\$293,928	\$303,375
Other Special Revenue Funds	\$0	\$450,000	\$0	\$0
<b>Revenue</b>				
General Fund	(\$1,234,335)	\$1,599,891	\$2,135,247	\$2,077,796
Other Special Revenue Funds	(\$64,965)	\$507,889	\$86,066	\$83,042

**Fiscal Detail and Notes**

This bill provides a sales tax exemption for printed free publications and printed materials purchased for inclusion in publications and would result in a loss of General Fund revenue of \$1,234,335 in fiscal year 2013-14 and \$1,797,609 in fiscal year 2014-15 and a loss of municipal revenue sharing of \$64,965 in fiscal year 2013-14 and \$94,611 in fiscal year 2014-15.

The bill includes a General Fund appropriation to the Department of Administrative and Financial Services of \$284,906 in fiscal year 2014-15 to contract with the Kennebec County Sheriff's Office for 2 Deputy Sheriff positions and to add one Revenue Agent position. These positions will be used to expand field activities to address debts other than sales tax debt handled by current deputies and to assist in the audit of estate and fiduciary tax returns and to review related issues associated with decedents and beneficiaries. It also includes a one-time Other Special Revenue Funds allocation to the Department of Administrative and Financial Services of \$450,000 in fiscal year 2014-15 for a contractor-provided audit selection system which makes data warehouse information available in a fashion conducive to audit selection, builds new data elements into the audit selection process and creates a predictive audit selection function. These activities increase General Fund and Local Government Fund revenues by \$3,397,500 and \$152,500, respectively, in fiscal year 2014-15.