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Legislative Document

No. 1074

H.P. 797

House of Representatives, March 5, 2019

An Act To Establish a Tax on Water Extracted for Bottling in Order To Secure the Economic Future of Rural Maine

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative GRAMLICH of Old Orchard Beach.
Cosponsored by Senator CARPENTER of Aroostook and
Representatives: COLLINGS of Portland, EVANGELOS of Friendship, PLUECKER of
Warren, Senators: CHENETTE of York, CHIPMAN of Cumberland.

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

2 **Sec. 1. 20-A MRSA §11611, sub-§5**, as amended by PL 2011, c. 642, §1, is
3 further amended to read:

4 **5. Institution of higher education.** "Institution of higher education" means an
5 institution of higher education located within this State that meets the requirements of and
6 conforms to the definitions contained in the federal Higher Education Act of 1965,
7 Section 1201, as amended, United States Code, Title 20, Section 1141; and the federal
8 Higher Education Act of 1965, Section 491, as amended, United States Code, Title 20,
9 Section 1088; and the regulations, guidelines and procedures promulgated by the
10 Secretary of Education and published in the Federal Register pursuant to these sections of
11 law. "Institution of higher education" includes a postsecondary trade school located
12 within the State that is determined by the authority to meet standards adopted by the
13 authority for providing eligible programs of study.

14 **Sec. 2. 36 MRSA c. 370-A** is enacted to read:

15 **CHAPTER 370-A**

16 **EXTRACTION OF WATER FOR BOTTLING**

17 **§2831. Definitions**

18 As used in this chapter, unless the context otherwise indicates, the following terms
19 have the following meanings.

20 **1. Bottled water operator.** "Bottled water operator" means a person engaged in the
21 business of bottling or packaging water for sale.

22 **§2832. Excise tax**

23 **1. Imposition of tax.** Beginning with the extraction of water occurring on or after
24 November 1, 2019, an excise tax is imposed on each bottled water operator that extracted
25 more than 1,500,000 gallons of groundwater or surface water from springs or other
26 underground sources within the State for commercial bottling for sale in the previous
27 calendar year for the privilege of engaging in the business of extracting such water.

28 **2. Rate of tax.** The excise tax under subsection 1 is imposed at a rate of 12¢ per
29 gallon of water extracted in the State.

30 **3. Payment.** Each bottled water operator shall prepare and submit to the bureau by
31 the 15th of each month a return according to procedures and schedules specified by the
32 bureau reporting the total of the gallons of water extracted for bottling during the
33 preceding month and other information required by the bureau and shall pay excise tax
34 under this section each month to the bureau at the time the report is submitted.

35 **4. Records.** A bottled water operator shall preserve for a period of at least 3 years a
36 record of the amount of all water extracted in this State by that bottled water operator.

