

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 Designate a Sales Tax Holiday'

Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 36 MRSA §1760, sub-§95 is enacted to read:

95. Sales tax holiday. Sales on the fourth Saturday in August 2014 of clothing and school supplies, excluding sales of individual items of clothing with a price that exceeds \$200, sales of individual items of school supplies with a price that exceeds \$100 and clothing or school supplies that are transferred through a prior sale or layaway sale.

For the purposes of this subsection, "clothing" means apparel meant to be worn by humans, including belts, caps, coats, dresses, gloves, hats, hosiery, jackets, neckties, pants, scarves, school uniforms, shirts, shoes, socks, sneakers and underwear, and excludes clothing accessories, protective equipment, sports equipment and recreational equipment. For the purposes of this subsection, "school supplies" means binders, book bags, backpacks, calculators, chalk, crayons, erasers, folders, glue, lunch boxes, notebooks, paper, pens, pencils, rulers, scissors, tape, clay, paints, paintbrushes, drawing pads and watercolors, and excludes computers, computer software, disks and printers. The State Tax Assessor shall adopt rules further defining clothing and school supplies. Rules adopted pursuant to this subsection are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

This subsection is repealed September 1, 2015.

Sec. 2. Report. By December 31, 2014, the Department of Administrative and Financial Services, Bureau of Revenue Services shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the estimated impact of the sales tax holiday pursuant to the Maine Revised Statutes, Title 36, section 1760, subsection 95 and recommendations for an annual sales tax holiday beginning in 2015. The joint standing committee may submit a bill pertaining to the report to the First Regular Session of the 127th Legislature.'

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides a one-time General Fund appropriation to the Bureau of Revenue Services for sales tax reporting requirements related to a sales tax holiday on August 23, 2014.

GENERAL FUND

2013-14

2014-15

All Other	\$0	\$150,000
GENERAL FUND TOTAL	<hr/> \$0	<hr/> \$150,000

SUMMARY

This amendment replaces the bill and creates a one-time sales tax holiday on August 23, 2014, exempting from sales tax the purchase of individual items of clothing costing \$200 or less and individual items of schools supplies costing \$100 or less. It requires the Department of Administrative and Financial Services, Maine Revenue Services to report to the joint standing committee of the Legislature having jurisdiction over taxation matters the estimated impact of the sales tax holiday and recommendations for an annual sales tax holiday beginning in 2015. It authorizes the joint standing committee to submit a bill pertaining to the report to the First Regular Session of the 127th Legislature.

FISCAL NOTE REQUIRED
(See attached)