



# 131st MAINE LEGISLATURE

LD 2279

LR 3077(03)

## An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to Be Eligible for Certain Sales Tax Exemptions and Refunds

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

|                                   | FY 2023-24 | FY 2024-25 | Projections<br>FY 2025-26 | Projections<br>FY 2026-27 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>         |            |            |                           |                           |
| General Fund                      | \$0        | (\$93,000) | (\$233,000)               | \$22,000                  |
| <b>Appropriations/Allocations</b> |            |            |                           |                           |
| General Fund                      | \$0        | \$4,000    | \$0                       | \$0                       |
| <b>Revenue</b>                    |            |            |                           |                           |
| General Fund                      | \$0        | \$97,000   | \$233,000                 | (\$22,000)                |
| Other Special Revenue Funds       | \$0        | \$4,000    | \$12,000                  | \$2,000                   |

### Fiscal Detail and Notes

Effective January 1, 2025, this bill adds vehicles and trailers for hauling wood to the list of purchases that qualify for the sales tax refund for commercial wood harvesting. The bill also restricts the commercial wood harvesting sales tax refund and sales tax exemption to companies headquartered in the State. The restriction to companies headquartered in the State results in an increase in General Fund revenue of \$97,000 in fiscal year 2024-25 and an increase in Local Government Fund revenue of \$4,000 in the same year. The fiscal note assumes that, as with existing sales tax refunds, equipment for hauling wood will need to be used for wood hauling for two years before a refund can be obtained. As a result, the offsetting revenue loss from the sales tax refund provision is delayed until fiscal year 2026-27.

The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$4,000 in fiscal year 2024-25 for programming costs to implement changes to the sales tax exemption and refund for commercial wood harvesting.