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H.P. 806

House of Representatives, March 21, 2013

An Act To Increase the Sales Tax To Support Revenue Sharing

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative THERIAULT of Madawaska.
Cosponsored by Senator JACKSON of Aroostook and
Representatives: FARNSWORTH of Portland, GRAHAM of North Yarmouth, McLEAN of
Gorham, MONAGHAN-DERRIG of Cape Elizabeth, PEOPLES of Westbrook, Senators:
MAZUREK of Knox, PATRICK of Oxford.

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

2 **Sec. 1. 36 MRSA §1811-C** is enacted to read:

3 **§1811-C. Contingent additional 1% sales tax**

4 Notwithstanding section 1811, beginning October 1, 2013 and every October 1st
5 annually, if the total amount of revenue transferred by the State Controller to the Local
6 Government Fund pursuant to Title 30-A, section 5681, subsection 5 during the prior
7 fiscal year is less than 5%, an additional 1% sales tax must be added to the sales tax rates
8 specified in section 1811. If on the subsequent October 1st the total amount transferred to
9 the Local Government Fund pursuant to Title 30-A, section 5681, subsection 5 during the
10 prior fiscal year is at least 5%, the rate of the sales tax imposed on the value of all
11 tangible personal property and taxable services sold at retail in this State reverts to the
12 rates specified in section 1811.

13 **SUMMARY**

14 This bill imposes an additional 1% sales tax if the amount of revenue transferred for
15 revenue sharing is less than 5% for the prior fiscal year. If in the subsequent year the
16 amount of revenue transferred for revenue sharing is at least 5%, the sales tax rates revert
17 to the statutory rates for the next fiscal year.