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TAXATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to H.P. 685, L.D. 1056, “An Act to Clarify the Tax Treatment of Prepaid Wireless Telecommunications Service in Maine”

Amend the bill by striking out all of sections 1 and 2 and inserting the following:

'Sec. 1. 36 MRSA §1752, sub-§8-E is enacted to read:

8-E. Prepaid wireless telecommunications service. "Prepaid wireless telecommunications service" has the same meaning as in Title 25, section 2921, subsection 13.

Sec. 2. 36 MRSA §1752, sub-§17-B, as amended by PL 2023, c. 643, Pt. H, §19 and affected by §29 and amended by c. 673, §19 and affected by §28, is further amended to read:

17-B. Taxable service. "Taxable service" means the rental of living quarters in a hotel, rooming house or tourist or trailer camp; the transmission and distribution of electricity; the sale of an extended service contract on an automobile or truck that entitles the purchaser to specific benefits in the service of the automobile or truck for a specific duration; the sale of prepaid wireless telecommunications service and any ancillary service, as defined in section 2551, subsection 1-C, included with the sale of prepaid wireless telecommunications service; and the sale of prepaid calling service.

Amend the bill by striking out all of section 4 and inserting the following:

'Sec. 4. 36 MRSA §2551, sub-§9-A is enacted to read:

9-A. Prepaid wireless telecommunications service. "Prepaid wireless telecommunications service" has the same meaning as in Title 25, section 2921, subsection 13.

'Sec. 5. 36 MRSA §2557, sub-§38, as amended by PL 2017, c. 445, §2 and affected by §5, is further amended to read:

38. Nonprofit library collaboratives. Sales to nonprofit collaboratives of academic, public, school and special libraries that provide support for library resource sharing,

1 promote quality library information services and support the cultural, educational and
2 economic development of the State; ~~and~~

3 **Sec. 6. 36 MRSA §2557, sub-§39**, as enacted by PL 2017, c. 445, §3 and affected
4 by §5, is amended to read:

5 **39. Certain support organizations for combat-injured veterans.** Sales to
6 incorporated nonprofit organizations organized for the primary purpose of operating a
7 retreat in the State for combat-injured veterans and their families free of charge; and

8 **Sec. 7. 36 MRSA §2557, sub-§40** is enacted to read:

9 **40. Prepaid wireless telecommunications service.** Sales of prepaid wireless
10 telecommunications service and the sale of any ancillary service included with the prepaid
11 wireless telecommunications service.

12 **Sec. 8. Effective date.** This Act takes effect January 1, 2026.'

13 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
14 number to read consecutively.

15 SUMMARY

16 This amendment conforms the definition of "prepaid wireless telecommunications
17 service" for purposes of the sales and use tax law to the definition in the emergency services
18 communication law in the Maine Revised Statutes, Title 25, chapter 352.

19 The amendment includes prepaid wireless telecommunications service and any
20 ancillary service included with the prepaid wireless telecommunications service in the
21 definition of "taxable service" for purposes of the sales and use tax law and exempts it from
22 the service provider tax.

23 The amendment removes the retroactivity clause and provides an effective date of
24 January 1, 2026.

25 FISCAL NOTE REQUIRED

26 (See attached)