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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1432, L.D. 2011, Bill, "An Act To Update Certain Provisions in the Income Tax and Service Provider Tax Laws"

Amend the bill by striking out all of Part A.

Amend the bill in Part B in section 1 in subsection 10 on the 2nd line (page 3, line 26 in L.D.) by striking out the following: "substantial"

Amend the bill in Part B in section 2 in §5200-B in subsection 1 on the first line (page 3, line 33 in L.D.) by striking out the following: "substantial"

Amend the bill in Part B in section 2 in §5200-B in subsection 3 on the 2nd line (page 4, line 14 in L.D.) by striking out the following: "substantial"

Amend the bill in Part B in section 2 in §5200-B by inserting at the end the following:

'4. Federal protection. A state that is without jurisdiction to impose a tax on the net income of a taxpayer because that taxpayer comes under the protection of 15 United States Code, Sections 381 to 384, does not gain jurisdiction to impose such a tax because the taxpayer's property, payroll or sales in the State exceed a threshold established in subsection 1.'

Amend the bill by inserting after Part D the following:

'PART E

Sec. E-1. 36 MRSA §1760, sub-§104 is enacted to read:

104. Section 501(c)(3) nonprofit organizations. Sales to a nonprofit organization that has been determined by the United States Internal Revenue Service to be exempt from federal income taxation under Section 501(c)(3) of the Code, if the tangible personal property or taxable services sold are to be used primarily for the purposes for which the nonprofit organization was organized.

Sec. E-2. 36 MRSA §2557, sub-§40 is enacted to read:

COMMITTEE AMENDMENT



1 Code of 1986 if the property or services sold are to be used primarily for the purposes for  
2 which the nonprofit organization was organized. The amendment requires the  
3 Department of Administrative and Financial Services, Bureau of Revenue Services,  
4 Office of Tax Policy to review sales tax and service provider tax exemptions to identify  
5 provisions that should be repealed or amended because they are duplicative or otherwise  
6 unnecessary and to submit legislation repealing or modifying those exemptions. The  
7 amendment also adds an appropriations and allocations section.

8 **FISCAL NOTE REQUIRED**  
9 **(See attached)**