

**TESTIMONY OF  
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Criminal Justice and Public Safety  
Hearing Date: *Wednesday, March 24, 2021*

LD 514 – “*An Act To Establish and Promote a System of Safe Disposal of Expired Marine Flares*”

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Senator Deschambault, Representative Warren, and members of the Criminal Justice and Public Safety Committee – good morning, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am providing testimony at the request of the Administration Neither For Nor Against LD 514, “*An Act To Establish and Promote a System of Safe Disposal of Expired Marine Flares.*”

Maine Revenue Services has some administrative concerns regarding Section 2 of this bill, which imposes the 25-cent fee on the sale of marine flares in this State. As the language is currently drafted, should marine flares be sold in packages containing multiple units, the 25-cent fee would apply to each marine flare sold in that package, which is consistent with the way the 5-cent bottle deposit fee is collected on a six-pack of soda.

The fees are to be deposited into the General Fund in order to offset the costs incurred by the Department of Public Safety in administering collection, disposal, and educational programs related to marine flares. This funding method is inconsistent with the three fees and premiums currently collected via the sales tax return, which are subsequently transferred to specific funds or agencies.

Maine Revenue Services would like to note that this bill may prove burdensome to smaller retailers, who may not have the ability to reprogram their current point of sale systems to include and accurately report the fee.

This funding mechanism was proposed in a minority report committee amendment to LD 430 in the 129<sup>th</sup> Legislature (“An Act To Establish and Promote a System of Safe Disposal of Expired Marine Flares”). The majority committee report provided funding appropriated from the General Fund and allowed the Commissioner of Public Safety to accept and use gifts, donations and contributions as well; this amendment was accepted and adopted by the 129<sup>th</sup> Legislature. However, LD 430 died on the Special Appropriations Table upon the early adjournment of the Legislature in March 2020.

The preliminary administrative cost of the bill is estimated to be \$11,000 for computer programming to add a line for the fee to the sales tax return.

The Administration looks forward to working with the Committee on the bill.