



# 125th MAINE LEGISLATURE

LD 176

LR 123(01)

## An Act Regarding Sales and Use Tax Audit Procedures and Enforcement

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Langley of Hancock

Committee: Taxation

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$2,137,500	\$2,850,000	\$2,850,000	\$2,850,000
<b>Revenue</b>				
General Fund	(\$2,137,500)	(\$2,850,000)	(\$2,850,000)	(\$2,850,000)
Other Special Revenue Funds	(\$112,500)	(\$150,000)	(\$150,000)	(\$150,000)

#### Fiscal Detail and Notes

Prohibiting retroactive assessment of sales and use tax when a taxpayer who should have collected or paid the tax does not have reason to know the tax applies will reduce revenues to the General Fund and result in corresponding reductions to revenue sharing. The Bureau of Revenue Services indicates that the audit limitations set forth in the bill create a risk that the revenue reduction in any given year will be greater than \$3 million.