



125th MAINE LEGISLATURE

LD 1205

LR 426(01)

An Act To Provide Economic Incentives to Businesses for the Collection of State Taxes

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. McClellan of Raymond

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$10,175,000	\$10,165,000	\$10,165,000	\$10,165,000
Appropriations/Allocations				
General Fund	\$10,000	\$0	\$0	\$0
Revenue				
General Fund	(\$10,165,000)	(\$10,165,000)	(\$10,165,000)	(\$10,165,000)
Other Special Revenue Funds	(\$535,000)	(\$535,000)	(\$535,000)	(\$535,000)

Fiscal Detail and Notes

Permitting retailers required to register under the sales and use tax law to deduct and retain up to 1% of the sales and use taxes that they collect will reduce tax collections by an estimated \$10,700,000 annually, reducing revenues to the General Fund and to revenue sharing. A one-time \$10,000 General Fund appropriation will be required in fiscal year 2011-12 to modify the sales tax return, change computer programs, modify reporting systems and to monitor compliance.