



125th MAINE LEGISLATURE

LD 1610

LR 2305(16)

An Act To Amend the Law Regarding the Sale of Wood Pellets and Wood

Fiscal Note for Bill as Engrossed with:

C "B" (H-937)

Committee: Taxation

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$2,375	\$19,760	\$62,899	\$80,147
Revenue				
General Fund	(\$2,375)	(\$19,760)	(\$62,899)	(\$80,147)
Other Special Revenue Funds	(\$150)	(\$1,040)	(\$3,311)	(\$4,218)

Fiscal Detail and Notes

The bill expands the sales tax exemption provided for certain purchases of fuel for residential use by raising the amount of wood pellet purchases presumed to be for residential use from 200 pounds to 1,000 pounds for purchases made on or before September 30, 2013 and extending that presumption to include all sales of wood pellets after that date. The bill also provides that purchases of up to one cord of firewood (including bundled campfire wood) are assumed to be for residential use. These changes will reduce General Fund revenues by \$2,375 in FY 2011-2012 and by \$19,760 in FY 2012-13. The reduction in General Fund revenues will be \$62,899 in FY 2013-2014 and \$80,147 in FY 2014-15.

The Maine State Housing Authority is required by rule, when carrying out its duties to receive, distribute and administer federal funds on behalf of the State for fuel assistance pursuant to the federal Low-income Home Energy Assistance Program, to give preference, all other factors being substantially equal, to United States suppliers of wood pellets. Additional costs to the Maine State Housing Authority associated with rulemaking can be absorbed within existing budgeted resources.