

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 2, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst
Re: Final Amendment Review – LD 212

An amendment and fiscal note for LD 212 are attached for your review.

LD 212, "An Act To Provide a Tax Exemption for Tobacco Sold to an Adult Member of a Federally Recognized Indian Tribe for Cultural, Spiritual or Ceremonial Purposes"

The Committee voted on March 1, 2013, with unanimous report of OTPA.

- The amendment replaces the bill and provides a sales tax refund on loose tobacco purchased for cultural, spiritual or ceremonial purposes by a member of a federally recognized tribe.
- There is a fiscal note that projects a revenue loss of less \$500 in each fiscal year.

Please let me know if you have any questions or concerns about this amendment.

Date:

(Filing No. H-)

TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 173, L.D. 212, Bill, “An Act To Provide a Tax Exemption for Tobacco Sold to an Adult Member of a Federally Recognized Indian Tribe for Cultural, Spiritual or Ceremonial Purposes”

Amend the bill by striking out the title and substituting the following:

'An Act To Provide a Sales Tax Refund for Tobacco Sold to a Member of a Federally Recognized Indian Tribe for Cultural, Spiritual or Ceremonial Purposes'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §2021 is enacted to read:

§2021. Tobacco to a member of a federally recognized Indian tribe

The State Tax Assessor shall refund sales or use tax paid on loose tobacco used for cultural, spiritual or ceremonial purposes by a member of a federally recognized Indian tribe upon the submission of an application for a tax rebate. The information on the application must include the amount of refund of the sales or use tax on loose tobacco requested and an affidavit stating that the applicant is a member of a federally recognized Indian tribe and the use of the tobacco is for cultural, spiritual or ceremonial purposes. The application must be supplemented by a receipt or receipts documenting the cost of the loose tobacco and a copy of a tribal identification card as described in Title 29-A, section 1410, subsection 7 or a license to hunt, trap or fish issued pursuant to Title 12, section 10853, subsection 8 and identification bearing a photograph or digital image of the individual. For purposes of this subsection, "loose tobacco" means any tobacco not wrapped in leaf tobacco, a reconstituted tobacco sheet or other wrapper and suitable for sprinkling on a ceremonial fire or use in a ceremonial pipe.'

SUMMARY

This amendment replaces the bill and provides a sales tax refund, rather than a sales tax exemption, for the purchase of loose tobacco for cultural, spiritual or ceremonial

COMMITTEE AMENDMENT

1 purposes by a member of a federally recognized Indian tribe who submits an application
2 and provides documentation of the cost of the purchase and identification demonstrating
3 the person is a member of a federally recognized Indian tribe. It removes provisions that
4 include an exemption for cigarettes and other tobacco products and removes the
5 requirement for the State Tax Assessor to work with tribal representatives to establish a
6 process for a tax-exempt purchase.

7 **FISCAL NOTE REQUIRED**

8 (See attached)



126th MAINE LEGISLATURE

LD 212

LR 1018(02)

An Act To Provide a Tax Exemption for Tobacco Sold to an Adult Member of a Federally Recognized Indian Tribe for Cultural, Spiritual or Ceremonial Purposes

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$380	\$475	\$475	\$475
Revenue				
General Fund	(\$380)	(\$475)	(\$475)	(\$475)
Other Special Revenue Funds	(\$20)	(\$25)	(\$25)	(\$25)

Fiscal Detail and Notes

Providing a sales tax refund on the purchase of loose tobacco by a federally recognized Indian tribe for cultural, spiritual or ceremonial purposes will reduce General Fund revenue and Municipal Revenue Sharing slightly.