

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 720

An amendment and fiscal note for LD 720 are attached for your review.

L.D. 720, "An Act To Eliminate Sales Tax Exemptions for Snowmobiles and All-terrain Vehicles Purchased by Nonresidents for Use in the State"

- The Committee voted on March 18, 2013, and had a divided report of OTPA/ONTF.
- The majority report amended the bill to provide technical clarifications.
- The fiscal note estimates a General Fund revenue increase of \$56,786 in FY14 and \$78,375 in FY 15 as well as increases in municipal revenue sharing.

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

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L.D. 720

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. 492, L.D. 720, Bill, “An Act To Eliminate Sales Tax Exemptions for Snowmobiles and All-terrain Vehicles Purchased by Nonresidents for Use in the State”

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

Sec. 1. 12 MRSA §13003, sub-§2, ¶A, as affected by PL 2003, c. 614, §9 and amended by c. 695, Pt. B, §9 and affected by Pt. C, §1, is further amended to read:

A. The person registering the snowmobile or ATV is not a resident of this State. ~~Nonresidents are exempt from sales or use tax on snowmobiles under Title 36, section 1760, subsection 25-B and on ATVs under Title 36, section 1760, subsection 25-A;~~

Sec. 2. 36 MRSA §1760, sub-§23-C, ¶A, as amended by PL 2005, c. 618, §2, is further amended to read:

A. Motor vehicles, except:

(1) Automobiles rented for a period of less than one year; ~~and~~

(2) ~~All-terrain vehicles and snowmobiles as defined in Title 12, section 13001;~~

Sec. 3. 36 MRSA §1760, sub-§25-A, as amended by PL 2007, c. 438, §40, is repealed.

Sec. 4. 36 MRSA §1760, sub-§25-B, as amended by PL 2007, c. 438, §41, is repealed.

Sec. 5. Effective date. This Act takes effect October 1, 2013.

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SUMMARY

This amendment clarifies that the sales tax exemption for the purchase of a snowmobile or all-terrain vehicle by a nonresident applies only when the vehicle is intended to be driven or transported outside the State immediately upon delivery.



126th MAINE LEGISLATURE

LD 720

LR 1277(02)

An Act To Eliminate Sales Tax Exemptions for Snowmobiles and All-terrain Vehicles Purchased by Nonresidents for Use in the State

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	(\$56,786)	(\$78,375)	(\$81,320)	(\$84,455)
Revenue				
General Fund	\$56,786	\$78,375	\$81,320	\$84,455
Other Special Revenue Funds	\$2,989	\$4,125	\$4,280	\$4,445

Fiscal Detail and Notes

Narrowing the sales tax exemption on all-terrain vehicles and snowmobiles purchased in the State by nonresidents to purchases that are immediately removed from the State will increase General Fund revenue and Municipal Revenue Sharing.