

## OFFICE OF FISCAL AND PROGRAM REVIEW

Date: February 14, 2013

To: Members, Joint Standing Committee on Taxation

From: Elizabeth Cooper, Legislative Analyst

### **LD 126, An Act To Provide a Sales Tax Exemption to Incorporated Nonprofit Performing Arts Organizations**

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**Summary:** This bill provides a sales tax exemption for sales to incorporated nonprofit performing arts organizations.

#### **Public Hearing:**

##### Proponents

- The sponsor presented the bill and provided background on LD 205 from the 125<sup>th</sup> Legislature. LD 205 was vetoed.
- Those testifying in support of the bill include representatives from: Bowdoin International Music Festival, Bay Chamber Concerts and Music School in Rockport, the Bangor Symphony Orchestra, the Maine State Music Theater, the Penobscot Theatre and Kneisell Hall Chamber Music Festival.
- *Major points:* exemptions available to other cultural organizations; matter of equity; nonprofit performance arts have positive impact on economy, employing people, attracting visitors, dollars back into local economy for goods and services; tight operating budgets, sales tax relief will make big difference; funded by ticket sales and donations; many other states have exemption making Maine performing arts less competitive.

Opposed - none

NFNA - none

**Amendment needed:** Should the Committee choose to move forward with this bill, it will need to be amended to include a fiscal note. (See below.)

#### **Additional information**

From 125<sup>th</sup> – Legislative record that included veto letter.

**Fiscal Information:** The preliminary fiscal impact statement indicates that this bill will require a fiscal note and that LD 205 from 125<sup>th</sup> had a fiscal note with a projected sales tax loss between \$47,000 and \$49,000.