

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: March 25, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

LD 435, Resolve, To Require the State Tax Assessor To Develop Agreements with Online Retailers for the Collection of Sales and Use Tax

Summary: This resolve requires the State Tax Assessor to enter into negotiations and develop agreements with online retailers for the collection of Maine sales and use tax by those online retailers. An online retailer is defined as a person that makes sales to Maine residents but that does not collect sales and use tax from those Maine residents because the online retailer is not located in Maine. The State Tax Assessor is required to submit a quarterly report to the Joint Standing Committee on Taxation regarding the status of the negotiations.

Public Hearing:

Proponents

- The sponsor presented the bill and provided written testimony.
- Those testifying in support of the bill include representatives from Maine Retailers Association.
- *Major points:* Two major theories for implementing e-commerce taxation fairness: 1) redefining “nexus” or in-state point of entry to allow taxation; 2) direct negotiation with on-line retailers. Goal is to level playing field for Maine business and this Resolve offers the latter option.
- *Some of those testifying in support of LD319 and LD 346 expressed support for this bill as well.*

Opposed - none

NFNA- none

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis was finalized. The most current fiscal information can be found online at: www.mainelegislature.org/LawMakerWeb/search.asp.