

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Resolve, To Review and Update the Telecommunications Taxation Laws

Sec. 1 Convene working group. Resolved: That the Department of Administrative and Financial Services, Bureau of Revenue Services shall convene a working group to review the telecommunications personal property tax and other forms of taxation of telecommunications providers in this State and make recommendations for updating the telecommunications taxation laws. The Department of Administrative and Financial Services, Bureau of Revenue Services shall invite the participation of the Maine Municipal Association and other interested stakeholders representing the telecommunications industry including the incumbent local exchange carriers, newer competitive phone services without significant personal property in the State, including wireless carriers, and the cable industry; and be it further

Sec. 2 Duties. Resolved: That the working group under section 1 shall review options for updating the telecommunications taxation laws that are revenue neutral for the State and provide for the equitable tax treatment of telecommunications providers. The options must include, but are not limited to, options that replace the personal property tax on telecommunications personal property with a sales tax or a gross receipts tax. The working group shall review the financial and administrative impact on state and local government as well as the impact on consumers. The working group shall make recommendations for changes to the telecommunications taxation laws based on this review; and be it further

Sec. 3 Report recommendations. Resolved: That, by January 17, 2011, the Department of Administrative and Financial Services, Bureau of Revenue Services shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters findings and recommendations for updating the telecommunications taxation laws under section 2, including any necessary implementing legislation; and be it further

Sec. 4 Legislation. Resolved: That, after receipt and review of the report and recommendations submitted pursuant to section 3, the joint standing committee of the Legislature having jurisdiction over taxation matters may submit a bill to the First Regular Session of the 125th Legislature related to the report.

SUMMARY

This resolve requires the Department of Administrative and Financial Services, Bureau of Revenue Services to convene a working group that includes representatives of municipalities and the telecommunications industry. It requires the working group to review alternatives for updating the telecommunications taxation laws, including a gross receipts tax and a sales tax. It requires the Department of Administrative and Financial Services, Bureau of Revenue Services to report to the joint standing committee of the Legislature having jurisdiction over taxation matters the findings and recommendations of the working group, including any necessary implementing legislation. The resolve authorizes the joint standing committee of the Legislature having jurisdiction over taxation matters to submit a bill to the First Regular Session of the 125th Legislature related to the report.