

STATE OF MAINE

Interdepartmental Memorandum

January 17, 2012

To: The Joint Standing Committee on Taxation

From: Peter B. Beaulieu, Director of Sales, Fuel and Special Tax Division,
Maine Revenue Services (MRS)

Subject: LD 1655 – An Act to Create a Sales Tax Exemption for the Sale and Delivery of Off-peak Electricity for Electric Thermal Storage Devices

Primary Sponsor: Senator Jonathan Courtney.

Estimated Revenue Impact: Revenue impact cannot be determined until the intent of this legislation is clarified.

Estimated Administrative Cost Impact: Can be absorbed within current budgetary allotments.

Identified Issues:

- The change proposed by the bill would require an electric utility to separately account for on-peak vs. off-peak usage and to separately meter electric usage by a residential electric thermal storage device when used for space or water heating. The administration of this exemption would depend on the ability of the utility company to reasonably provide these services.
- It should be made clear that the new exemption for certain off-peak residential electricity is to be excluded from consideration in the first “750 kilowatt hour” exemption in current law.

Similar Legislative Proposals: None.

cc (by e-mail): Office of Fiscal & Program Review
Office of DAFS Commissioner
Office of the Attorney General
Office of Policy & Legal Analysis

State Budget Office
Office of the Governor
Revisor's Office
Office of Information Technology