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retailers to collect Maine sales tax and turn it over to state coffers.

May. 31, 2013

May 31—AUGUSTA, Maine — The Maine House on Friday signed off on a measure that would require online retailers to collect Maine sales tax and turn it over to state coffers.

House members voted 128-10 in favor of the bill, LD 346, which would extend the same sales tax collection requirements to online retailers that apply to brick-and-mortar retailers in Maine.

Friday's House vote followed a unanimous Senate vote last week in support of the measure, which is sponsored by Rep. Gary Knight, R-Livermore Falls. The bill now heads back to the Senate for further votes.

A number of bills in the Maine Legislature this session have focused on leveling the playing field between online and brick-and-mortar retailers and helping the state to collect sales tax revenue that's going uncollected by online merchants.

Michael Allen, the state's associate commissioner for tax policy, has estimated that Maine is losing up to \$25 million a year in taxes that are not being collected, largely by online retailers who don't collect state sales tax.

The issue is also gaining traction at the federal level, where the Marketplace Fairness Act recently passed the U.S. Senate. That law would require most online retailers to collect tax for sales in the 22 states that are full participants in the Streamlined Sales and Use Tax Agreement. Those 22 states have adjusted their sales tax collection laws to conform to the terms of the agreement.

Maine is listed as an advisory member whose sales tax laws don't conform to the

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would allow Maine to participate in the Marketplace Fairness Act.

LePage objected to tying up state government resources for the study.

The bill passed Friday authorizes legislative staff, rather than staff from the executive branch, to conduct the study.

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