

MAINE STATE LEGISLATURE

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(EMERGENCY)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 124

H.P. 133 House of Representatives, January 10, 1983
Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Andrews of Portland.
Cosponsors: Senator Bustin of Kennebec and Senator Pearson of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-THREE

AN ACT to Address Deficits Imposed by
Tax Indexing.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the voters at referendum approved a tax indexing measure which in part calls for the retroactive adjustment of taxpayers' tax liabilities for the years 1981 and 1982; and

Whereas, unless modifications are made in the method employed to refund or adjust taxpayers' tax liabilities for those tax years, many essential state services will have to be discontinued or curtailed, causing harm to many Maine people; and

1 Whereas, the adoption of this legislation as an
2 emergency measure will address all of these concerns;
3 and

4 Whereas, in the judgment of the Legislature,
5 these facts create an emergency within the meaning of
6 the Constitution of Maine and require the following
7 legislation as immediately necessary for the preser-
8 vation of the public peace, health and safety; now,
9 therefore,

10 Be it enacted by the People of the State of Maine as
11 follows:

12 Sec. 1. 36 MRSA §5111, sub-§1 is enacted to
13 read:

14 1. Tax surcharge for 1982. The tax obligation
15 of individual taxpayers under this section for the
16 tax year 1982 is increased by 16%.

17 Sec. 2. State Tax Assessor to prepare and dis-
18 seminate new tax tables pursuant to Title 36, chapter
19 841 for tax year 1982. The State Tax Assessor shall
20 prepare and disseminate in the most reasonably
21 expeditious and comprehensive method possible new tax
22 tables for calculating 1982 individual income taxes.
23 The tables shall reflect bracket adjustments required
24 by Title 36, chapter 841 and 1982, I.B. 2, as
25 approved by the people November 2, 1982.

26 Emergency clause. In view of the emergency cited
27 in the preamble, this Act shall take effect when
28 approved.

29 STATEMENT OF FACT

30 The purpose of this bill is to impose a 16% tax
31 surcharge on individual taxpayers. This surcharge is
32 designed to raise the revenues necessary to pay the
33 tax refund requirements for 1981 and 1982 imposed on
34 the State by the adoption of the tax indexing pro-
35 posal. It is estimated that the imposition of this
36 surcharge will generate \$32 million in revenues from
37 individual taxpayers and that a majority of the indi-
38 vidual taxpayers will still receive a rebate. Fol-

1 lowing passage of this bill, new tax tables will be
2 prepared for the 1982 tax year.

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