

MAINE STATE LEGISLATURE

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DATE: 6/15/95

(Filing No. H- 511)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 98, L.D. 238, Bill, "An Act to Create an Income Tax Stabilization Program"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'An Act to Create a Tax Reduction Program'

Further amend the amendment by striking out everything after the title and before the statement of fact and inserting in its place the following:

'Amend the bill by striking out everything after the title and before the enacting clause.

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 36 MRSA c. 915 is enacted to read:

CHAPTER 915

TAX REDUCTION PROGRAMS

§6701. Tax Reduction Fund

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Target revenue" means \$662,550,000 in sales and use tax revenue and \$676,230,000 in individual income tax revenue.

HOUSE AMENDMENT

R. W. S.

2 B. "Tax revenue" means undedicated General Fund revenue
4 generated from individual income, sales and use taxes.

6 2. Calculation. Annually, by September 15th, the State Tax
8 Assessor shall determine for the current tax year whether tax
10 revenue for the fiscal year ending the prior June 30th exceeded
12 the target revenue. If target revenue was exceeded, the State
14 Tax Assessor shall certify to the State Controller the amount by
16 which the target revenue was exceeded and the State Controller
18 shall deposit that amount into the Tax Reduction Fund.
20 Notwithstanding any other provision of law, the State Controller
22 shall transfer the amount calculated in this subsection before
24 any other transfer of funds is made.

26 3. Tax Reduction Fund. The Tax Reduction Fund is
28 established in order to reduce or eliminate taxes. Money
30 deposited in the fund during one fiscal year does not lapse, but
32 carries forward to the subsequent fiscal year or years. Money in
34 the fund may be transferred only to offset loss of General Fund
36 revenue as set out in subsection 4.

38 4. Use of fund. Beginning January 1, 1997, the joint
40 standing committee of the Legislature having jurisdiction over
42 taxation matters shall determine biennially which tax or taxes
44 may be reduced or eliminated to arrive at the amount of money
46 available in the Tax Reduction Fund and shall prepare legislation
48 to:

1 A. Accomplish the reduction or elimination; and

2 B. Require the State Controller to transfer from the Tax
3 Reduction Fund to the General Fund on a monthly basis an
4 amount of money sufficient to offset the loss of General
5 Fund revenue attributable to the reduction or elimination.

6 **Sec. 2. Effective date.** This Act takes effect July 1, 1996.' '

7 **FISCAL NOTE**

8 This amendment establishes target revenue as the amount of
9 budgeted General Fund revenue in fiscal year 1996-97 from
10 individual income and sales and use taxes. If actual revenue
11 exceeds this amount during the fiscal year it must be set aside
12 into the Tax Reduction Fund. The amount of funds that will be
13 set aside in fiscal year 1996-97 and future years can not be
14 determined at this time.

2 The use of the funds set aside in the Tax Reduction Fund and
the specific taxes that will be reduced or eliminated will depend
4 on future legislation prepared by the Joint Standing Committee on
Taxation.

6
8 **STATEMENT OF FACT**

10 This amendment expands the definition of tax revenue
originally proposed in the bill to include sales and use tax
revenue as well as revenue arising from individual income taxes.

12
14 The amendment changes the fund proposed in the bill to the
Tax Reduction Fund and provides that the source of money in the
fund is the excess of tax revenue over the target revenue
16 estimated for fiscal year 1996-97. The joint standing committee
of the Legislature having jurisdiction over taxation matters is
18 given the duty to biennially determine which tax or taxes should
be reduced or eliminated to arrive at the amount of money
20 available in the Tax Reduction Fund. This amendment includes an
effective date of July 1, 1996.

22
24 SPONSORED BY: 

26 (Representative DORE)

28 TOWN: Auburn

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