

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

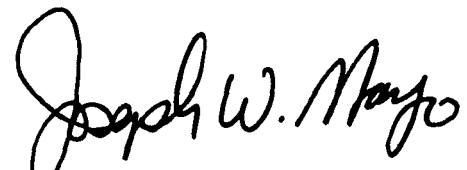
No. 823

H.P. 613

House of Representatives, March 14, 1995

**An Act to Dedicate a Percentage of the Actual Individual Income Taxes
from Each Community to Be Returned to the Community for School
Funding.**

Reference to the Committee on Appropriations and Financial Affairs suggested and
ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative SIMONEAU of Thomaston.

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

2 Sec. 1. 30-A MRSA §5686 is enacted to read:

4 **§5686. State-municipal revenue sharing for public education**

6 **1. Findings and purpose.** The Legislature finds that:

8 A. Municipalities pay a disproportionate share of the cost
10 of funding public elementary and secondary education; and

12 B. It is necessary to provide property tax relief to
14 municipalities from funds collected through the state income
 tax.

16 **2. Public Education Reserve Fund.** The Public Education
18 Reserve Fund, referred to in this section as the "fund," is
 established to support the findings and objectives of subsection
20 1.

22 **3. Sharing the Public Education Reserve Fund.** Money
 credited to the fund must be distributed on the basis of a
24 formula that returns 25% of the income tax paid by each person
 filing a state income tax return to the person's municipality.
26 For purposes of this section, plantations and unorganized
 territories must be treated as if they were municipalities.
28 Revenue transferred to a municipality in accordance with this
 section must be used to support public elementary and secondary
30 education in the school administrative unit of which the
 municipality is a member. The fund must be used to supplement,
32 not to replace, general purpose aid to local schools.

34 **4. Treasurer of State.** An amount equal to 25% of the
 receipts from state income tax paid by residents of the State and
36 credited to the General Fund must be transferred by the Treasurer
 of State to the fund on the first day of each month, beginning
38 July 1, 1996. The Treasurer of State shall distribute the
 balance in the fund on the 20th day of each month.

40 Sec. 2. 36 MRSA §5286 is enacted to read:

42 **§5286. Identification of place of residence**

44 Each individual income tax form must contain a designation
46 indicating the municipality, plantation or unorganized territory
 of residence for each person filing a return. Provision must be
48 made for each person filing a joint return to make a separate
 designation of place of residence.

STATEMENT OF FACT

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4 This bill would distribute 25% of the state income tax paid
by each person filing a state income tax return to the
6 municipality where the person resides. The revenue distributed
to the municipality will be used to support public education in
kindergarten and grades one to 12.