

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
106TH LEGISLATURE

COMMITTEE AMENDMENT "A" to H. P. 1384, L. D. 1862, Bill,
"AN ACT Reforming the Administration of the Property Tax and
Replacing the Tax on Inventories with an Increased Corporate Income
Tax."

Amend said Bill by striking out all of section 21 and inserting
in place thereof the following:

Sec. 21. R. S., T. 36, § 4651, amended. Section 4651 of
Title 36 of the Revised Statutes, as enacted by section 1 of chapter
537 of the public laws of 1967, is amended to read as follows:

§ 4651. Rate of tax

There is imposed, on each deed, instrument or writing by which
any lands, tenements or other realty sold shall be granted, assigned,
transferred or otherwise conveyed to, or vested in, the purchaser
or purchasers, or any other person or persons, by his or their
direction, when the consideration or value of the interest on property
conveyed, exclusive of the value of any lien or encumbrance remaining
thereon at the time of the sale, exceeds \$100, a tax at the rate of
~~55c-for-each-\$500-or-fractional-part-thereof~~ 1% of such consideration.

Sec. 22. R. S., T. 36, § 4652, amended. The 2nd sentence of
section 4652 of Title 36 of the Revised Statutes, as enacted by
section 1 of chapter 537 of the public laws of 1967, is amended to
read as follows:

The State Tax Assessor is authorized and empowered to carry this
chapter into effect and, in pursuance thereof, to make and enforce
such reasonable rules and regulations consistent with this chapter
as he may deem necessary, including the appointment of the several
registers of deeds or such other agents as he may designate as sales

(Filing No. H-575)

agents and providing for compensation of such agents, which compensation shall not exceed a ~~10%~~ 1% commission of the legal price of the stamps sold and when such stamps are sold by the registers of deeds the said ~~10%~~ 1% shall be for the use of the counties, and the said sums shall be turned over by the registers of deeds to the county treasurers monthly.

Sec. 23. R. S., T. 36, § 5111, amended. The 2nd paragraph, relating to the table, of section 5111 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is repealed and the following enacted in place thereof:

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>1% of the taxable income</u>
<u>\$2,000 but not over \$5,000</u>	<u>\$20 plus 2% of excess over \$2,000</u>
<u>\$5,000 but not over \$10,000</u>	<u>\$80 plus 3% of excess over \$5,000</u>
<u>\$10,000 but not over \$15,000</u>	<u>\$230 plus 4% of excess over \$10,000</u>
<u>\$15,000 but not over \$20,000</u>	<u>\$430 plus 5% of excess over \$15,000</u>
<u>\$20,000 but not over \$25,000</u>	<u>\$680 plus 6% of excess over \$20,000</u>
<u>\$25,000 but not over \$30,000</u>	<u>\$980 plus 7% of excess over \$25,000</u>
<u>\$30,000 but not over \$35,000</u>	<u>\$1,330 plus 8% of excess over \$30,000</u>
<u>\$35,000 but not over \$40,000</u>	<u>\$1,730 plus 9% of excess over \$35,000</u>
<u>\$40,000 but not over \$45,000</u>	<u>\$2,180 plus 10% of excess over \$40,000</u>
<u>\$45,000 but not over \$50,000</u>	<u>\$2,680 plus 11% of excess over \$45,000</u>
<u>Over \$50,000</u>	<u>\$3,230 plus 12% of excess over \$50,000</u>

Sec. 24. R. S., T. 36, § 5200, amended. The 2nd paragraph of section 5200 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

4~~8~~ 5% of the Maine net income of the corporation.'

(Filing No. H-575)

Further amend said Bill by renumbering section 22 to be section 25.

Further amend said Bill by adding after section 22 the following:

'Sec. 26. R. S., T. 36, § 5205, amended. The 2nd sentence of section 5205 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

The tax is ~~4%~~ 5% of the taxable income of the corporation or association for that taxable year under the laws of the United States, reduced by the amount of the tax payable by the corporation or association for the taxable year under chapter 817.

Sec. 27. Effective date. Sections 21 and 22 shall be effective on or after January 1, 1974. Section 23 shall be effective as to taxable income as defined in the Revised Statutes, Title 36, sections 5121 and 5140, attributable on or after January 1, 1974. Sections 24 and 26 shall be effective as to Maine net income attributable on or after January 1, 1974. - -

Further amend said Bill by renumbering section 23 to be section 28.

Statement of Fact

The amendments would increase the present real estate transfer tax rate from 11/100 of 1% to 1%, producing an estimated \$4,000,000 per year additional revenue.

The amendments would increase the present individual income tax rates on taxable income in excess of \$15,000, as follows:

(Filing No. H-575)

From \$15,000 to \$20,000	from 4% to 5%
20,000 to 25,000	4% to 6%
25,000 to 30,000	5% to 7%
30,000 to 35,000	5% to 8%
35,000 to 40,000	5% to 9%
40,000 to 45,000	5% to 10%
45,000 to 50,000	5% to 11%
Over \$50,000	6% to 12%

The amendments would increase the present corporate income tax rate by 1%, from 4% to 5%, producing an estimated \$2,000,000 per year additional revenue. This increase, together with that proposed in L.D. 1920, would result in an overall increase in the basic corporate income tax rate from 4% to 5% and in the tax rate on income over \$25,000 from 4% to 7%.

Reported by the Majority of the Committee on Taxation.

Reproduced and distributed under the direction of the Clerk of the House.

6/18/73

(Filing No. H-575)