

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)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 564

H. P. 461

House of Representatives, February 6, 1975

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Finemore of Bridgewater.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Change State Income Tax Rate on All Taxable Corporations to Read 6% with an Additional 4% Surtax on Corporate Earnings over \$25,000.

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

Sec. 1. 36 MRSA, § 5200, sub-§ 3, as enacted by PL 1973, c. 788, § 193, is repealed and the following enacted in place thereof:

3. 6% of the Maine net income not over \$25,000 or \$1,500, plus 10% of the Maine net income over \$25,000.

Sec. 2. 36 MRSA, § 5205, sub-§ 3, as enacted by PL 1973, c. 788, § 194, is repealed and the following enacted in place thereof:

3. 6% of the taxable income not over \$25,000, or \$1,500, plus 10% of the taxable income over \$25,000, 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. 3. Effective date. This Act shall become effective January 1, 1976

FISCAL NOTE

It is estimated that passage of this Act will result in a gain of revenue to the State as follows:

1975-76	1976-77
\$1,500,000	\$7,200,000

Administration costs would be minimal.

STATEMENT OF FACT

The purpose of this Act is to fund more adequately the elimination of the 5% sales tax on industrial machinery and equipment and to reimburse municipalities for the loss in revenues by the exclusion from Personal Property Taxation such categories as inventories and stock in trade.