

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
107TH LEGISLATURE
FIRST SPECIAL SESSION

(Filing No. H-908)

HOUSE AMENDMENT "D" to HOUSE AMENDMENT "B" to H.P. 1873,
L.D. 2031, Bill, "AN ACT to Repeal and Replace the Present
School Finance Law."

Amend said Amendment by striking out all of the next to
last paragraph before the Emergency clause and inserting in
place thereof the following:

'Further

✓ Amend said Bill in section 3 in that part designated
"§451." in subsection 2 by striking out all of the last 2
sentences and inserting in place thereof the following:

The uniform property tax rate shall be 12 mills on the state
valuation of all municipalities effective as of July 1st of
the year of allocation of funds. The rate shall be applied to
the state valuations of each municipality and property in the
unorganized territory.

Further amend said Bill by inserting at the end before
the Emergency clause the following:

Sec. 5. 36 MRSA §5111, as enacted by P&SL 1969, c. 154,
51,
SF, ✓ is amended by adding at the end the following new paragraphs:

The effective date of change from the foregoing rate table
to the next following rate table shall be January 1, 1976. The
amount of tax for any taxable year or portion thereof in the
period on or after January 1, 1976 to on or before December 31,
1976 shall be determined in accordance with the following table:

<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 \$3,000</u>	<u>\$20 plus 2% of excess over \$2,000</u>
<u>\$3,000 but not over \$4,000</u>	<u>\$40 plus 2.5% of excess over \$3,000</u>
<u>\$4,000 but not over \$5,000</u>	<u>\$65 plus 3.0% of excess over \$4,000</u>
<u>\$5,000 but not over \$6,000</u>	<u>\$95 plus 3.5% of excess over \$5,000</u>
<u>\$6,000 but not over \$8,000</u>	<u>\$130 plus 4.0% of excess over \$6,000</u>
<u>\$8,000 but not over \$10,000</u>	<u>\$210 plus 4.5% of excess over \$8,000</u>
<u>\$10,000 but not over \$11,000</u>	<u>\$300 plus 5.0% of excess over \$10,000</u>
<u>\$11,000 but not over \$15,000</u>	<u>\$350 plus 5.5% of excess over \$11,000</u>
<u>\$15,000 but not over \$25,000</u>	<u>\$570 plus 6.0% of excess over \$15,000</u>
<u>\$25,000 but not over \$50,000</u>	<u>\$1,170 plus 7.0% of excess over \$25,000</u>
<u>\$50,000 or more</u>	<u>\$2,920 plus 8.0% of excess over \$50,000</u>

The effective date of change from the next foregoing rate table to the next following rate table shall be January 1, 1977. The amount of tax for any taxable year or portion thereof on or after January 1, 1977 shall be determined in accordance with the following table:

If the taxable income is:

The tax is:

Not over \$2,000

1% of the taxable income

\$2,000 but not over \$3,000

\$20 plus 2% of excess over \$2,000

\$3,000 but not over \$4,000

\$40 plus 3% of excess over \$3,000

\$4,000 but not over \$6,000

\$70 plus 4% of excess over \$4,000

\$6,000 but not over \$8,000

\$150 plus 5% of excess over \$6,000

\$8,000 but not over \$11,000

\$250 plus 6% of excess over \$8,000

\$11,000 but not over \$15,000

\$430 plus 7% of excess over \$11,000

\$15,000 but not over \$25,000

\$710 plus 8% of excess over \$15,000

\$25,000 but not over \$50,000

\$1,510 plus 9% of excess over \$25,000

\$50,000 or more

\$3,760 plus 10% of excess over \$50,000

The amount of tax imposed for a taxable year containing a change in rate requiring a use of 2 of the foregoing tables shall be determined as set forth in section 5234.

Sec. 6. 36 MRS 5200, sub-§4 is enacted to read:

4. 6% of Maine net income not in excess of \$25,000, plus 8% of any Maine net income in excess of \$25,000 attributable on or after July 1, 1976.

Sec. 7. 36 MRSA §5234 is enacted to read:

§5234. Fiscal year tax determination

If any rate of tax imposed by this Part changes, and if the taxable year includes the effective date of change, unless that date is the first day of the taxable year, then the tax for such taxable year shall be a sum composed of an amount equal to the tax computed for the entire taxable year at the old rate times the proportion, determined by days, of the taxable year at the old rate plus an amount equal to the tax computed for the entire taxable year at the new rate times the proportion, determined by days, of the taxable year at the new rate.

Sec. 8. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Bureau of Taxation, the sum of \$164,500 to carry out the purposes of sections 5, 6 and 7. The breakdown shall be as follows:

1976-77

FINANCE AND ADMINISTRATION,
DEPARTMENT OF

Bureau of Taxation

Personal Services	(3)	\$ 35,000
All Other		126,500
Capital Expenditures		<u>3,000</u>
		\$164,500'

Further amend said Amendment in the Fiscal Note by striking out all of the next to last paragraph and inserting in place thereof the following:

'It is recommended that a uniform property tax rate be established at 12 mills which is 2 1/2 mills lower than would be required under the present law at this level of funding. The result of this reduction in the state mill rate is to shift a tax burden of approximately \$22.7 million from the uniform property tax to other broad-based state taxes. It is estimated that the individual and corporate tax increases would result in additional revenue of \$23,000,000 in 1976-77.'

Statement of Fact

This amendment shifts an additional 22.7 million dollars from the state uniform property tax to the state income tax for the purpose of funding education.

Filed by Mr. Mackel of Wells.

Reproduced and distributed under the direction of the Clerk
of the House.
2/18/76

(Filing No. H-908)