

# MAINE STATE LEGISLATURE

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S. 4  
D. OF R.

STATE OF MAINE  
SENATE  
107TH LEGISLATURE  
FIRST SPECIAL SESSION

SENATE AMENDMENT "C " to HOUSE AMENDMENT "O" to H.P. 2020,  
L.D. 2196, Bill, "AN ACT to Revise the Laws Relating to  
Funding of Public Schools."

Amend said Amendment by inserting after the 32nd paragraph  
which relates to an appropriation to the Department of  
Finance and Administration the following:

'Sec. 9-A. Appropriation. There is appropriated from  
the General Fund to the Department of Educational and Cultural  
Services the sum of \$5,250,000 for the fiscal years 1975-77  
to be used to provide general purpose aid to local schools.  
The breakdown shall be as follows:

	<u>1975-76</u>	<u>1976-77</u>
EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENT OF		
General purpose aid to local schools		
All Other	\$1,166,667	\$4,083,333

Provides funds to assist in alleviating the educational  
subsidy deficit.

Any balance remaining in this account on June 30, 1976  
shall not lapse but shall be carried forward to the following  
fiscal year to be expended for the same purpose.

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Sec. 10. 36 MRS §5111, as enacted by P&SL 1969, c. 154, §F, §1, is repealed and the following enacted in place thereof:

§5111. Imposition and rate of tax

A tax is hereby imposed for each taxable year on the entire taxable income of every resident individual of this State and on the taxable income of every nonresident individual which is derived from sources within this State. The amount of the tax shall be determined in accordance with the following table:

Rate Table A

<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 \$25,000</u>	<u>\$230 plus 4% of excess over \$10,000</u>
<u>\$25,000 but not over \$50,000</u>	<u>\$830 plus 5% of excess over \$25,000</u>
<u>\$50,000 or more</u>	<u>\$2,080 plus 6% of excess over \$50,000</u>

The effective date of change from Rate Table A to Rate Table B 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 Rate Table B.

Rate Table B

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>1.26% of the taxable income</u>
<u>\$2,000 but not over \$5,000</u>	<u>\$25.20 plus 2.52% of excess over \$2,000</u>
<u>\$5,000 but not over \$10,000</u>	<u>\$100.80 plus 3.78% of excess over \$5,000</u>
<u>\$10,000 but not over \$25,000</u>	<u>\$289.80 plus 5.04% of excess over \$10,000</u>
<u>\$25,000 but not over \$50,000</u>	<u>\$1045.80 plus 6.30% of excess over \$25,000</u>
<u>\$50,000 or more</u>	<u>\$2620.80 plus 7.56% of excess over \$50,000</u>

The effective date of change from Rate Table B back to Rate Table A 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 Rate Table A.

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

Further amend said Amendment by striking out all of the 33rd and 34th paragraphs relating to Title 36, section 5111.

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Further amend said Amendment by striking out all of the last sentence of the emergency clause and inserting in place thereof the following:

'Sections 6, 7, 8, 9-A, 10 and 11 of this Act shall take effect when approved.'

Further amend said Amendment in the fiscal note by striking out all of the 4th paragraph from the end which relates to remainder of the state's obligation.

Statement of Fact

The amendment to House Amendment "O" replaces the 26% personal income tax surtax with a rate table that is an exact equivalent of the 26% surtax. This new rate table will raise the same amount as the 26% surtax; each taxpayer will pay the same amount of tax under the new rate table as he would have paid under the 26% surtax; finally, like the 26% surtax, the new rate table will be in effect only for calendar year 1976. This amendment also ensures that the amount brought into the General Fund by the cigarette surtax is appropriated to the Department of Educational and Cultural Services to be used to help alleviate the educational subsidy deficit.

(Huber)

NAME:

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COUNTY: Cumberland

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