

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
107TH LEGISLATURE  
FIRST SPECIAL SESSION

SENATE AMENDMENT "I" 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 striking out all of the last  
4 lines of the 22nd paragraph and inserting in place thereof  
the following:

'The uniform property tax rate shall be 13.75 mills for the  
period beginning July 1, 1976 and thereafter. The rate shall be applied  
to the state valuations of each municipality and property in the  
unorganized territory.'

Further amend said Amendment by striking out everything after  
the 32nd paragraph and inserting in place thereof the following:

'Sec. 10. 36 MRSA §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§F, §1, is repealed and the following enacted in place thereof:  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:

<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 the foregoing rate table to the next following rate table shall be Januarv 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:

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>.5% of taxable income</u>
<u>\$2,000 but not over \$4,000</u>	<u>\$10 plus 1.25% of excess over \$2,000</u>
<u>\$4,000 but not over \$5,000</u>	<u>\$35 plus 1.50% of excess over \$4,000</u>
<u>\$5,000 but not over \$6,000</u>	<u>\$50 plus 1.75% of excess over \$5,000</u>
<u>\$6,000 but not over \$8,000</u>	<u>\$67 plus 2.0% of excess over \$6,000</u>
<u>\$8,000 but not over \$10,000</u>	<u>\$107 plus 2.25% of excess over \$8,000</u>
<u>\$10,000 but not over \$15,000</u>	<u>\$152 plus 2.75% of excess over \$10,000</u>
<u>\$15,000 but not over \$20,000</u>	<u>\$289 plus 3.0% of excess over \$15,000</u>
<u>\$20,000 but not over \$25,000</u>	<u>\$439 plus 3.5% of excess over \$20,000</u>
<u>\$25,000 but not over \$30,000</u>	<u>\$614 plus 4.0% of excess over \$25,000</u>

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<u>\$30,000 but not over \$50,000</u>	<u>\$814 plus 4.25% of excess over \$30,000</u>
<u>\$50,000 or more</u>	<u>\$1,664 plus 4.5% of excess over \$50,000</u>

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. 11. 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. 12. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Bureau of Taxation, the sum of \$36,000 to carry out the purposes of sections 10 and 11. The breakdown shall be as follows:

	<u>1976-77</u>
FINANCE AND ADMINISTRATION, DEPARTMENT OF	
Bureau of Taxation	
Personal Services	(1) \$10,000
All Other	25,000
Capital Expenditures	<u>1,000</u>
	<u>\$36,000'</u>

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

'Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect July 1, 1976, except sections 3 and 5 and section 3750 of Title 20 of section 1 of this Act which shall become effective when approved and except section 3748, subsection 4, last paragraph of section 1 of this Act which shall become effective July 1, 1977. Sections 10 to 12 of this Act shall take effect when approved.'

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Fiscal Note

This amendment establishes the mill rate of the uniform property tax at 13.75. Changing the mill rate in this way will reduce the amount of new revenue required from other sources. Accordingly, this amendment establishes a revised schedule for the personal income tax which will provide roughly 7.5 million dollars rather than the 13.5 million dollars required by House Amendment "O".

Statement of Fact

This amendment increases the mill rate of the uniform property tax from 13 mills to 13.75 mills. The revenue required to shift away from the uniform property tax is provided by a 7.5 million dollar increase in the personal income tax.

(Carbonneau)

NAME:

COUNTY; Androscoggin

*Talant J Carbonneau*

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February 25, 1976. (Filing No. S-415).