

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1568

H. P. 1406 House of Representatives, April 13, 1977 On motion of Mr. Carey of Waterville, referred to the Committee on Taxation. Sent up for concurrence and ordered printed. EDWIN H. PERT, Clerk

Presented by Mr. Quinn of Gorham. Cosponsor: Mr. Palmer of Nobleboro.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED SEVENTY-SEVEN

AN ACT to Provide for an Income Tax Credit for Limited Political Contributions.

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

Sec. 1. 36 MRSA § 5129 is enacted to read :

§ 5129. Designation by individuals

Every resident individual whose taxable liability for the taxable year is \$1 or more may designate that \$1 of his tax liability be paid over to any specified political party, as defined in Title 21, section 1, subsection 21. In the case of a joint return of husband and wife having an income tax liability of \$2 or more, each spouse may designate that \$1 be paid over to any specified political party.

Every individual resident who is entitled to a refund under this Part may designate that \$1 of the refund be paid over to any specified political party.

Sec. 2. 36 MRSA § 5283, as enacted by PL 1973, c. 246, is repealed.

STATEMENT OF FACT

This bill would provide that individual income taxpayers incurring a state income tax liability of \$1 or more may designate that \$1 of that tax liability be paid over to any specified political party. Husbands and wives, filing jointly, who have a tax liability of \$2 or more may each designate that \$1 be paid to a specified political party. This bill is designed to increase political participation by the general public. Maine is one of the few states permitting such limited political contributions without providing that the contribution be credited to the individual's tax liability. This would make the Maine system the same as the federal system.

Inasmuch as donations under the current law were less than \$5,000 this year, it is reasonable to assume that the increase will approximately double.

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