

MAINE STATE LEGISLATURE

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(Governor's Bill)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1740

H. P. 1508

House of Representatives, April 29, 1977

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

EDWIN H. PERT, Clerk

Presented by Mr. Carter of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Providing for Establishment of a State Tax Mix.

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

5 MRSA § 1665-A is enacted to read:

§ 1665-A. Submission of proposed tax mix

1. Governor to recommend to Legislature the tax mix. The Governor shall recommend to the Legislature the mix among the major broad-based categories of tax for the coming biennium with the submission of the state budget document. The state budget document shall recommend an upper limit for the corporate income tax, the individual income tax, the state property tax and the sales and use tax by percent of total net state revenues which are estimated for the state budget document.

2. Legislative concurrence or revision. The Legislature shall review the Governor's recommendations and, no later than 4 weeks from receipt of the Governor's recommendations, the Legislature shall concur with the recommendations or establish an alternate tax mix. Failure of the Legislature to complete final action on the Governor's recommendations within the time provided shall mean that such recommendations are automatically accepted as law governing the state's tax mix. The state tax mix established by formal action of the Legislature or by its choice not to act may be altered only by the favorable vote of $\frac{2}{3}$ of the members of the Legislature at any time. Limits set forth in the tax mix approved by the Legislature.

3. Approved tax mix to apply to revenue estimates. The approved tax mix will apply only to revenue estimates. The law will not be violated to the extent of actual tax revenues exceeding estimates.

STATEMENT OF FACT

The purpose of this bill is to require information on the major sources of revenue financing the state's budget.