

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
108TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to SENATE AMENDMENT "A" to H.P. 2215,
L.D. 2183, Bill, "AN ACT to Provide for Reform of the State Tax
Laws."

Amend the Amendment by striking out all of the 9th, 10th
and 11th lines and inserting in their place the following:

'Further amend the Bill in section 1 by striking out all of
subsection 9-B and inserting in its place the following:

9-B. Residential electricity. From July 1, 1978 to
June 30, 1979, sale of the first 1,000 kilowatt hours of residential
electricity per month; ~~From July 1, 1979 onwards, sale of the~~
first 750 kilowatts hours of ^{residential} ~~electricity~~ per month. For the
purpose of this subsection, "residential electricity" shall mean
electricity furnished to homes, mobile homes, boarding homes
and apartment houses, with the exception of hotels and motels;'

Further amend the Amendment by inserting after the 14th
line the following:

'Further amend the Bill by inserting after section 1 the
following:

Sec. 1-A. 36 MRSA §1760, sub-§39, is enacted to read:

39. Residential water. Sales of water purchased for use
in homes, mobile homes, boarding homes and apartment houses and
other buildings designed for both human habitation and sleeping,
with the exception of hotels and motels.'

Further amend the Amendment on page 3 by inserting before the first paragraph the following:

'Further amend the Bill in section 5 in that part designated "§5111." by striking out all of the tax table and inserting in its place the following:

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>.97% of the taxable income</u>
<u>\$ 2,000 but not over \$ 4,000</u>	<u>\$19.40 plus 1.94% of excess over \$ 2,000</u>
<u>4,000 but not over 6,000</u>	<u>58.20 plus 3.88% of excess over 4,000</u>
<u>6,000 but not over 8,000</u>	<u>135.80 plus 5.82% of excess over 6,000</u>
<u>8,000 but not over 10,000</u>	<u>252.20 plus 6.79% of excess over 8,000</u>
<u>10,000 but not over 15,000</u>	<u>388.00 plus 7.76% of excess over 10,000</u>
<u>15,000 but not over 25,000</u>	<u>776.00 plus 8.73% of excess over 15,000</u>
<u>25,000 or more</u>	<u>1,649.00 plus 9.7% of excess over 25,000</u>

Further amend the Amendment on page 3 by inserting after the 3rd paragraph the following:

'Further amend the Bill in section 8 in that part designated "§5130." by striking out all of the last underlined paragraph and inserting in its place the following:

'For any taxable year beginning on and after January 1, 1978, a resident may receive a credit against state taxes due equal to 20% of any credit he received for that year under the Internal Revenue Code, section 37, credit for the elderly. In no case shall this credit reduce the Maine income tax to less than zero.

Further amend the Bill in section 8 in that part designated "§5131 in subsection 1 by striking out all of the first underlined sentence and inserting in its place the following:

For the tax year beginning January 1, 1978, each individual who files an income tax return in 1979 shall be allowed up to a \$20

credit against the tax otherwise payable by him and married individuals filing a joint income tax in 1979 shall be allowed up to a \$20 credit against the tax otherwise payable by them.

Further amend the Bill in section 9 in that part designated "\$5200." by striking out all of subsection 1 and inserting in its place the following:

'1. Rate. 4.95% of Maine net income not in excess of \$25,000 plus 6.93% of any Maine net income in excess of \$25,000 attributable on or after January 1, 1978.'

Further amend the Amendment on page 4 by striking out in the 5th line the underlined figure "4.9%" and inserting in its place the underlined figure '4.95%' and by striking out in the 6th line the underlined figure "6.86%" and inserting in its place the underlined figure '6.93%'

Statement of Fact

This amendment, when combined with Senate Amendment "A" and L.D. 2183, provides for the following program of tax relief:

<u>Permanent Relief</u>	<u>In Millions of Dollars</u>	
<u>Income Tax Reductions</u>		
Personal	(3%)	3.84
Corporate	(1%)	0.42
Head of Household		0.15
Elderly Retirement Credit		<u>0.125</u>
		4.535

Property Tax Relief

Elderly Household/Rent	<u>1.09</u>
	1.09

Sales Tax Exemptions

Electricity	(750 KWH)	4.00
Residential Gas		0.20
Fishing Equipment		0.32
Farm/Log Equipment		2.00
Residential Water		<u>0.50</u>
		7.02

Total Permanent Relief 12.645

One Time Relief


Income Tax

Credit	(\$20.)	5.7
Jobs Credit		<u>1.0</u>
		6.7

<u>Electricity</u>	(750-1000KWH)	<u>0.9</u>
Total One Time Relief		7.6

Total 20.245

The amendment also clarifies the wording of the retirement credit, but makes no substantive change to that section.

(Speers)
NAME: 
COUNTY: Kennebec

Reproduced and distributed pursuant to Senate Rule 11-A.

March 16, 1978

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