

MAINE STATE LEGISLATURE

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S. OF R.

L.D. 2183
(Filing No. S-600)

STATE OF MAINE
SENATE
108TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT " B " 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. Sale of the first 750
kilowatt 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 by striking out all of section 5 and inserting in its place the following:

Sec. 5. 36 MRSA §5111, as repealed and replaced by PL 1975, c. 661, is amended by inserting before the last paragraph the following:

The effective date of change from the foregoing rate table to the next following rate table shall be July 1, 1978. The amount of tax for any taxable year or portion thereof on or after July 1, 1978 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 \$ 4,000</u>	<u>\$ 20 + 2% of excess over \$ 2,000</u>
<u>\$ 4,000 but not over \$ 6,000</u>	<u>\$ 60 + 3% of excess over \$ 4,000</u>
<u>\$ 6,000 but not over \$ 8,000</u>	<u>\$ 120 + 6% of excess over \$ 6,000</u>
<u>\$ 8,000 but not over \$10,000</u>	<u>\$ 240 + 7% of excess over \$ 8,000</u>
<u>\$10,000 but not over \$15,000</u>	<u>\$ 380 + 8% of excess over \$10,000</u>
<u>\$15,000 but not over \$25,000</u>	<u>\$ 780 +9.2% of excess over\$15,000</u>
<u>\$25,000 or more</u>	<u>\$1,700 +10% of excess over\$25,000'</u>

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

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'Further amend the Bill by inserting after section 7
the following:

Sec. 7-A. 36 MRS §5126, as enacted by P&SL 1969, c. 154,
§F, is amended to read:

§5126. Personal exemptions

A resident individual shall be allowed an exemption of \$1,000
for each exemption to which he is entitled for the taxable year
for federal income tax purposes except that for a taxable year
ending during 1978 the exemption shall be \$1,200 for each federal
exemption.

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 by striking out all
of that part designated "§5131."

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	(adjusted rates)	4.00
Corporate	(1%)	0.42
Head of Household		0.15
Elderly Retirement Credit		<u>0.125</u>
		<u>4.695</u>
<u>Property Tax Relief</u>		
Elderly Household/Rent		1.4
<u>Sales Tax Exemptions</u>		
Electricity	(750 KWH)	4.00

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Sales Tax Exemptions (continued)

Residential Gas	0.20
Fishing Equipment	0.32
Farm/Log Equipment	2.00
Residential Water	<u>0.50</u>
	7.02

Total Permanent Relief 13.115

One Time Relief

Income Tax

\$1,200 exemption	5.7
Jobs Credit	<u>1.0</u>

Total One Time Relief 6.7

Total 19.815

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

(Sewall)
NAME:



COUNTY: Penobscot