

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 523

H. P. 444

House of Representatives, January 29, 1981

Referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Fowlie of Rockland.

Cosponsors: Representative Brenerman of Portland and Representative E. Paradis of Old Town.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT Relating to State-municipal Revenue Sharing.

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

**Sec. 1. 30 MRSA § 5055, sub-§ 3, first sentence, as enacted by PL 1971, c. 478, § 1, is amended to read:**

**Moneys credited to the Local Government Fund under subsection 5 shall be first distributed in accordance with the reimbursement schedule in section 5056, subsection 2. Funds remaining shall be distributed on the basis of a formula which provides a varying amount of per capita revenue sharing aid to communities based upon the comparative tax burden of each municipality.**

**Sec. 2. 30 MRSA § 5055, sub-§ 5, as last amended by P&SL 1975, c. 147, Pt. C, § 15, is repealed and the following enacted in its place:**

**5. Treasurer of State. An Amount equal to 5.2% of the receipts from the taxes imposed under Title 36, Parts 3 and 8, and credited to the General Fund, shall be transferred by the Treasurer of State to the Local Government Fund on the first day of each month, beginning July 1, 1981.**

**The Treasurer of State shall distribute the balance in the Local Government Fund on the 20th day of each month, beginning July 20, 1981.**

**Sec. 3. 30 MRSA § 5056, sub-§ 2, first sentence, as enacted by PL 1973, c. 592, § 2, is amended to read:**

**The Treasurer of State shall reimburse each municipality ~~on or before December 15th, annually~~ out of the Local Government Fund, created in section 5055, on the 20th day of each month, for any revenue loss due to personal property exempted under Title 36, section 655, subsection 1, paragraphs A, B, C and D.**

#### STATEMENT OF FACT

This bill would raise from 4% to 5.2% the sales and use tax and personal and corporate income taxes share of the General Fund to be allocated to the Local Government Fund to carry out the program of state-municipal revenue sharing. The increase corresponds to the amount of money currently in the inventory tax reimbursement program to municipalities. The intent is to provide for a phased-in increase in the state-municipal revenue sharing program that corresponds with the phasing out of the inventory tax reimbursement program.