

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

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ONE HUNDRED AND TENTH LEGISLATURE

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**Legislative Document**

**No. 1218**

S. P. 414

In Senate, March 10, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Wood of York.

Cosponsor: Representative Nelson of Portland.

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STATE OF MAINE

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

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**AN ACT to Establish an Income Tax Checkoff for the Arts.**

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

Sec. 1. 27 MRSA § 408 is enacted to read:

§ 408. Contributions for support of the arts

1. **Definitions.** As used in this section, "local arts agency" means a public, publicly designated or private nonprofit council, commission, society or organization which by its charter and operating policies is publicly accountable to provide financial or service support, or both, for the art needs of the entire municipality which it serves.

2. **Distribution of funds.** The commission shall annually transfer any and all funds credited to the commission under Title 36, section 5284, to local arts agencies in the State. The amount transferred to local arts agencies in a municipality shall be that portion of the total funds credited to the commission which is attributable to designations made on the income tax returns of individuals who are residents of the municipality in which the local arts agencies are located.

3. **Use of funds for expenses.** None of the funds credited to the commission under Title 36, section 5284, or transferred to local arts agencies under subsection

2, may be used by the commission or by any local arts agency to pay its administrative expenses.

4. Use of funds. Funds provided under this section shall be used in accordance with the following principles.

A. The funds should be distributed in a manner which benefits the people from whom derived.

B. In distributing the funds the significant contributions of the State's art resources, including professional training programs, individuals and institutions, shall be taken into account.

C. Recipients of grants from the fund shall demonstrate the maintenance or achievement of quality.

D. Funding consideration shall be extended to all art forms covered by this chapter.

5. Improper use of funds. If the commission, after reasonable notice and opportunity for hearing, determines that any local arts agency is not using funds provided under this section in accordance with this section, then the commission may take such action as may be necessary, including suspension or termination of transfers under this section, to ensure that the provisions of this section are met.

6. Rules and regulations. Subject to the Administrative Procedure Act, Title 5, chapter 375, the commission may adopt any rules or regulations which are necessary to carry out this section.

Sec. 2. 36 MRS § 5284 is enacted to read:

§ 5284. Contributions for the advancement of the arts

1. Designation on tax return. Every individual resident, who is entitled to a refund under this Part, may delegate that any specified portion of that refund be made available, as he may designate on his tax return, for purposes of supporting the arts. Every individual resident who is entitled to no refund under this Part may designate that any contribution in money which he forwards with the tax return for that taxable year be made available, as he may designate on his tax return, for purposes of supporting the arts.

2. Notification on tax return forms. The assessor shall provide that tax return forms fully inform each resident taxpayer of the opportunity the resident individual has of making a contribution under subsection 1 and the purposes for which those contributions will be used. Space shall be made available on the tax return forms for the designations under subsection 1.

3. Transfer of contributions. The assessor shall determine annually the total amount designated pursuant to this section and shall report this amount to the Treasurer of State who shall credit that amount to the Maine State Commission on the Arts and the Humanities under Title 27, section 408.

**Sec. 3. Effective date.** This Act shall apply with respect to any tax year beginning on or after January 1, 1982.

STATEMENT OF FACT

The purpose of this bill is to provide a mechanism for taxpayers to contribute a portion of their income tax refund to the arts or to add to their tax liability as a contribution to the arts. The funds would be used to fund local arts agencies throughout the State.