

# MAINE STATE LEGISLATURE

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L.D. 96

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-3)  
111TH LEGISLATURE  
FIRST REGULAR SESSION

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HOUSE AMENDMENT "A " to S.P. 34, L.D. 96,  
Bill, "AN ACT to Remove the Retroactive Provisions of  
the Income Tax Indexing Law."

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Amend the Bill by striking out all of the title and  
inserting its place the following:

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'AN ACT to Increase Taxes to Provide for Tax  
Indexing.'

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Further amend the Bill by striking out everything  
after the title and inserting in its place the fol-  
lowing:

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'Emergency preamble. Whereas, Acts of the Legis-  
lature do not become effective until 90 days after  
adjournment unless enacted as emergencies; and

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Whereas, the 1982 initiated bill concerning  
income tax indexing is due to take effect immedi-  
ately; and

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Whereas, the retroactive provision of that bill  
means a \$32,000,000 expense for the State; and

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Whereas, this legislation dealing with that  
expense and providing the transition to tax indexing  
is urgently needed; and

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Whereas, in the judgment of the Legislature,  
these facts create an emergency within the meaning of  
the Constitution of Maine and require the following  
legislation as immediately necessary for the preser-  
vation of the public peace, health and safety; now,  
therefore

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

HOUSE AMENDMENT "A" to S.P. 34, L.D. 96

36 MRSA §5111, as amended by 1982, I.B. 2, is further amended by adding before the next to the last paragraph the following:

Notwithstanding any other provisions of law, for the purpose of providing the transition to tax indexing, a tax is imposed for taxable years 1981 and 1982 on the entire taxable income of every resident individual of this State and on the taxable income of every nonresident individual which is derived from sources within this State. The amount of the tax shall be determined in accordance with the following table:

If the taxable income is:	The tax is:
Not over \$2,000	1% of the taxable income
\$ 2,000 but not over \$ 4,000	\$ 20 + 2% of excess of \$ 2,000
\$ 4,000 but not over \$ 6,000	\$ 60 + 3% of excess over \$ 4,000
\$ 6,000 but not over \$ 8,000	\$ 120 + 6% of excess over \$ 6,000
\$ 8,000 but not over \$10,000	\$ 240 + 7% of excess over \$ 8,000
\$10,000 but not over \$15,000	\$ 380 + 8% of excess over \$10,000
\$15,000 but not over \$25,000	\$ 780 + 9.2% of excess over \$15,000
\$25,000 or more	\$1,700 + 10% of excess over \$25,000

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.'

STATEMENT OF FACT

This amendment adjusts the personal income tax tables for 1981 and 1982 to what they were prior to

HOUSE AMENDMENT "A" to S.P. 34, L.D. 96

1 enactment of the initiated referendum on tax index-  
2 ing.

3 This method of a tax increase eliminates the need  
4 for funding rebates caused by tax indexing, while  
5 keeping services at current levels.

6 This in no way alters the initiated referendum on  
7 tax indexing.

8 Therefore, the prevailing positions of both sides  
9 can be accommodated. The \$32,000,000 deficit will be  
10 avoided and the initiated referendum will not be  
11 altered.

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Filed by Rep. Sproul of Augusta  
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House  
1/14/83 (Filing No. H-3)