

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1189, L.D. 1585)
2 (New Title)

3 FIRST REGULAR SESSION
4

5 ONE HUNDRED AND ELEVENTH LEGISLATURE
6

7 Legislative Document

No. 1787

9 H.P. 1352

House of Representatives, June 23, 1983

10 Reported by the Majority from the Committee on Taxation and printed
11 under Joint Rule 2.

Original bill presented by Representative Andrews of Portland.

12 Cosponsored by Representative Kilcoyne of Gardiner, Senator Bustin of
Kennebec and Representative Gauvreau of Lewiston.

EDWIN H. PERT, Clerk

14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-THREE
18

19 AN ACT to Reform the Corporate Income
20 Tax and to Adjust the Cigarette Tax.
21

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

24 Sec. 1. 36 MRSa §4365, as amended by PL 1979, c.
25 127, §198, is further amended to read:

26 §4365. Rate of tax

27 A tax is imposed on all cigarettes held in this
28 State by any person for sale, said tax to be at the
29 rate of 8 10 mills for each cigarette and the payment
30 thereof to be evidenced by the affixing of stamps to
31 the packages containing the cigarettes. Any increase

1 in tax authorized under this section shall terminate
2 when if a federal program similar to that provided in
3 Title 22, section 3185, becomes effective, this tax
4 is reduced by one mill for each cigarette. The Govern-
5 nor shall determine by proclamation when the federal
6 program has become effective. Any cigarette on which
7 a tax has been paid, such payment being evidenced by
8 the affixing of such stamp, shall not be subject to a
9 further tax under this chapter. Nothing contained in
10 this chapter shall be construed to impose a tax on
11 any transaction, the taxation of which by this State
12 is prohibited by the Constitution of the United
13 States.

14 Each unclassified importer shall, within 24 hours
15 after receipt of any unstamped cigarettes in this
16 State, notify the State Tax Assessor of the number of
17 cigarettes received, and the name and address of con-
18 signor. The State Tax Assessor thereupon shall
19 notify the unclassified importer of the amount of the
20 tax due thereon, which shall be at the rate of 8 10
21 mills per cigarette. Payment of the amount due the
22 State shall be made within 10 days from mailing date
23 of notice thereof.

24 Sec. 2. 36 MRSA §5200, as repealed and replaced
25 by PL 1981, c. 706, §39, is repealed and the follow-
26 ing enacted in its place:

27 §5200. Imposition and rate of tax

28 A tax is imposed upon the Maine net income of
29 taxable corporations for each taxable year at the
30 following rates:

31 <u>If the Maine net income is:</u>	<u>The tax is:</u>
32 <u>Not over \$25,000</u>	<u>3.5%</u>
33 <u>\$25,000 but not over \$75,000</u>	<u>\$875 plus 7.93% of</u> 34 <u>excess over \$25,000</u>
35 <u>\$75,000 but not over \$250,000</u>	<u>\$4,840 plus 8.33% of</u> 36 <u>excess over \$75,000</u>
37 <u>\$250,000 or more</u>	<u>\$19,417 plus 8.93% of</u> 38 <u>excess over \$250,000</u>

1 Local Government Fund 286,000 286,000

2 STATEMENT OF FACT

3 This new draft reforms the corporate income tax
4 by reducing the tax rate in the lowest bracket, and
5 increasing the rate for corporations with income
6 exceeding \$25,000. This reform will result in
7 reduced taxes for over 80% of Maine businesses which
8 file a corporate return.

9 This new draft also increases the cigarette tax
10 by 2 mills per cigarette, 4¢ per pack.

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