

MAINE STATE LEGISLATURE

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L.D. 1939

(Filing No. H-531)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
112TH LEGISLATURE
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 1376, L.D. 1939, Bill, "AN ACT to Equalize the State Tipping Minimum Wage and the Federal Tipping Minimum Wage."

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Amend the bill in the 1st paragraph after the amending clause in the 5th line (page 1, lines 29 and 30 in L.D.) by striking out the following: "40% of the applicable minimum wage rate" and inserting in its place the following: "of the applicable minimum wage rate \$1.54 in 1986, and \$1.64 beginning on January 1, 1987".

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STATEMENT OF FACT

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Current state law allows a tipping credit of approximately \$1.78 toward the employer's obligation to pay the legal minimum wage. Current federal law, which applies only to restaurants with a gross business volume over \$362,500, permits a credit of only \$1.54. This creates a situation where small restaurants in the State which are not covered under federal law are granted a larger tipping credit than the larger restaurants, allowing the small restaurants to pay a lower minimum wage. This amendment reduces the credit under state law to \$1.54 in 1986, and then increase it to \$1.64 thereafter. The result is that no employer, large or small, may use a tipping credit to reduce the actual minimum paid wage for service employees below the current federal limit of \$2.01. Both large and small restaurants will be subject to

COMMITTEE AMENDMENT "A" to H.P. 1376, L.D. 1939

1 the same minimum paid wage rate in 1986. Beginning
2 in 1987, the actual minimum paid wage for service em-
3 ployees in small restaurants will remain at \$2.01
4 while the rate in larger restaurants rises to \$2.11.

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Reported by the Majority of the Committee on Labor
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2/21/86 (Filing No. H-531)