MAINE STATE LEGISLATURE

The following document is provided by the

LAW AND LEGISLATIVE DIGITAL LIBRARY

at the Maine State Law and Legislative Reference Library

http://legislature.maine.gov/lawlib



Reproduced from scanned originals with text recognition applied (searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1212

6

8

9

12

13

14 15

In Senate, April 10, 1987

Reference to the Committee on Utilities suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate Presented by Senator BALDACCI of Penobscot.

Cosponsored by Senator KANY of Kennebec, Senator MATTHEWS

of Kennebec, Senator ANDREWS of Cumberland.

STATE OF MAINE

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

The state of the s

1 .	Resolve, to Adjust Utility Rates to Reflect
2	the Change in the Rate of Federal
3	Corporate Income Tax.
4	-

Findings. Resolved: That the Legislature finds that:

- 1. The United States Tax Reform Act of 1986, Public Law 99-514, has reduced the maximum federal corporate income tax rate from 46% to 34%;
- 10 The rates charged by public utilities are based on the earlier tax rates; 11
 - 3. Many public utilities have adopted legitimate accounting practices which have the effect of deferring some major tax expenses, which now will come under the reduced rates; and

4. These factors are resulting in utility customers being charged excessively high rates; and be it further

Adjustment of excessive rates. Resolved: That the Public Utilities Commission shall under the Maine Revised Statutes, Title 35, section 298, require each utility in the State which is subject to federal corporate income tax to file revised rates by October 1, 1987, adjusted to reflect the recent changes in federal tax law. The Public Utilities Commission shall review those filings in accordance with the Maine Revised Statutes, Title 35; and be it further

Report. Resolved: That the Public Utilities Commission shall report to the Governor and the Legislature by February 1, 1988, on the implementation of this Act.

17 STATEMENT OF FACT

The purpose of this resolve is to require all investor-owned utilities to file new, presumably reduced, rates to reflect the recent reduction in federal corporate income tax rates. The Public Utilities Commission is required to review the revised rates under standard procedures and report to the Governor and the Legislature by February 1, 1988, on the implementation of this resolve.

26 1952040787