

# MAINE STATE LEGISLATURE

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L.D. 2705

(Filing No. H- 816 )

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
113TH LEGISLATURE  
FOURTH SPECIAL SESSION

HOUSE AMENDMENT " *A* " to H.P. 2001, L.D. 2705,  
Bill, "AN ACT to Amend the Maine Income Tax Code."

Amend the bill by striking out everything after  
the enacting clause and before the emergency clause  
and inserting in its place the following:

'Sec. 1. 5 MRSA §1514, sub-§2-A is enacted to  
read:

2-A. Transfers to the Tax Adjustment Reserve  
Fund. Notwithstanding any other provision of law,  
starting with the tax year 1989, the State Controller  
shall transfer to the Tax Adjustment Reserve Fund,  
without deductions, that portion of undedicated  
General Fund revenues which is jointly certified by  
the State Budget Officer and the State Tax Assessor to  
be directly attributable to increased individual  
income tax collections which result from conformity to  
the Internal Revenue Code of 1986 and which are over  
and above the existing personal exemptions tax credit  
established as of November 1, 1988, in Title 36,  
section 5126. The Tax Adjustment Reserve Fund shall  
be segregated by tax year.

Sec. 2. 5 MRSA §1514, sub-§4-A is enacted to  
read:

4-A. Fund adjustments; 1988. Notwithstanding

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1 subsection 4, for tax year 1988 only, adjustments to  
2 the fund shall be as follows.

3 A. A transfer from this fund to the General Fund  
4 to offset the loss of revenue attributable to  
5 income tax reductions to avoid a windfall for the  
6 tax year 1987 is required prior to June 30, 1988,  
7 in the amount of \$16,500,000.

8 B. The State Controller shall transfer to the  
9 General Fund any balance in this fund on June 30,  
10 1988, which was certified to it in accordance with  
11 subsection 2 as revenue directly attributable to  
12 corporate income tax. This transfer will provide  
13 additional resources for property tax relief  
14 through an appropriation to the General Purpose  
15 Aid to Local Schools Account.

16 C. A transfer from this fund to the General Fund  
17 is required to offset the loss of revenue  
18 resulting from individual income tax reform for  
19 the 1988 tax year. The amount of this transfer  
20 will be equal to the amount certified to the fund  
21 because of increased individual income tax  
22 collections through the period ending June 30,  
23 1988, plus accrued interest, less the amount  
24 transferred in paragraph A to offset individual  
25 income tax reductions and less the amount expended  
26 to offset 1987 tax year rebates and their  
27 administrative costs. This transfer shall be made  
28 no later than October 1, 1988.

29 D. It is intended that the State Controller  
30 transfer the amounts defined in paragraph C from  
31 the General Fund balance to undedicated revenue.  
32 These transfers shall be made on a monthly basis  
33 during the period of January 1989, to June 1989,  
34 in amounts directly proportional to total  
35 individual income tax revenue estimates for those  
36 months.

37 Sec. 3. 5 MRSA §1514, sub-§5 is enacted to read:

38 5. Expenditures from the fund. Appropriations  
39 from the Tax Adjustment Reserve Fund may be made by  
40 the Legislature provided that funds are appropriated





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STATEMENT OF FACT

2           The purpose of this amendment is to limit the  
3 application of the provisions of the original bill to  
4 tax year 1988, only. The audit requires for tax years  
5 after 1988 that an amount which results from increased  
6 individual income tax collections, due to conformity,  
7 which is in excess of personal exemptions tax credit,  
8 be appropriated for property tax relief to  
9 municipalities on a per capita basis.

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Filed by Rep. Small of Bath  
Reproduced and distributed under the direction of the Clerk of the  
House  
11/28/88                           (Filing No. H-816)