

MAINE STATE LEGISLATURE

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(EMERGENCY)
FOURTH SPECIAL SESSION

Legislative Document

NO. 2705

H.P. 2001 House of Representatives, November 28, 1988
Received by the Clerk of the House on November 23, 1988.
Referred to the Committee on Taxation and ordered printed
pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk
Presented by Representative CASHMAN of Old Town.
Cosponsored by Representative JACKSON of Harrison,
Senators SEWALL of Lincoln and TWITCHELL of Oxford.

STATE OF MAINE

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

1 AN ACT to Amend the Maine Income Tax Code.
2

3 Emergency preamble. Whereas, Acts of the
4 Legislature do not become effective until 90 days
5 after adjournment unless enacted as emergencies; and

6 Whereas, it is necessary that the State Tax
7 Assessor take certain action pursuant to this
8 legislation prior to the expiration of the 90-day
9 period; and

1 Whereas, in the judgment of the Legislature, these
2 facts create an emergency within the meaning of the
3 Constitution of Maine and require the following
4 legislation as immediately necessary for the
5 preservation of the public peace, health and safety;
6 now, therefore,

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

9 Sec. 1. 5 MRSa §1514, sub-§4, as amended by PL
10 1987, c. 816, Pt. S, and as repealed and replaced by
11 PL 1987, c. 819, §1, is repealed and the following
12 enacted in its place:

13 4. Fund adjustments. Adjustments to the fund
14 shall be as follows.

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

20 B. The State Controller shall transfer to the
21 General Fund any balance in this fund on June 30,
22 1988, which was certified to it in accordance with
23 subsection 2 as revenue directly attributable to
24 corporate income tax. This transfer will provide
25 additional resources for property tax relief
26 through an appropriation to the General Purpose
27 Aid to Local Schools Account.

28 C. A transfer from this fund to the General Fund
29 is required to offset the loss of revenue
30 resulting from individual income tax reform for
31 the 1988 tax year. The amount of this transfer
32 will be equal to the amount certified to the fund
33 because of increased individual income tax
34 collections through the period ending June 30,
35 1988, plus accrued interest, less the amount

1 transferred in paragraph A to offset individual
2 income tax reductions and less the amount expended
3 to offset 1987 tax year rebates and their
4 administrative costs. This transfer shall be made
5 no later than October 1, 1988.

6 D. It is intended that the State Controller
7 transfer the amounts defined in paragraph C from
8 the General Fund balance to undedicated revenue.
9 These transfers shall be made on a monthly basis
10 during the period of January 1989, to June 1989,
11 in amounts directly proportional to total
12 individual income tax revenue estimates for those
13 months.

14 Sec. 2. 36 MRSA §5126, as amended by PL 1987,
15 c. 772, §37 and as repealed and replaced by PL 1987,
16 c. 819, §8, is repealed and the following enacted in
17 its place:

18 §5126. Personal exemptions tax credit

19 An individual shall be allowed a personal
20 exemption tax credit in the amount provided in the
21 following tables for each exemption to which the
22 individual is entitled for the taxable year for
23 federal income tax purposes or as otherwise provided
24 in this section.

25 1. Single individuals and married persons filing
26 separate returns. For single individuals and married
27 persons filing separate returns:

28 If Maine adjusted The amount of the tax credit per
29 gross income is: allowable personal exemption is:

30 Less than \$20,000 \$55

31 At least \$20,000, but
32 less than \$25,000 \$65

33 \$25,000 or more \$30

34 2. Heads of households. For unmarried

1 individuals or legally separated individuals who
2 qualify as heads of households:

3 If Maine adjusted The amount of the tax credit per
4 gross income is: allowable personal exemption is:

5 Less than \$30,000 \$55

6 At least \$30,000, but
7 less than \$37,500 \$65

8 \$37,500 or more \$30

9 3. Individuals filing married joint return or
10 surviving spouses. For individuals filing married
11 joint returns or surviving spouses permitted to file a
12 joint return:

13 If Maine adjusted The amount of the tax credit per
14 gross income is: allowable personal exemption is:

15 Less than \$40,000 \$55

16 At least \$40,000, but
17 less than \$50,000 \$65

18 \$50,000 or more \$30

19 Individuals entitled to zero personal exemptions
20 for federal income tax purposes are entitled to a
21 single personal exemption tax credit in an amount
22 determined in accordance with the tables in this
23 section.

24 An additional personal exemption tax credit is
25 allowable to each individual who, pursuant to the
26 Code, Section 63(f), if claiming a standard deduction
27 for the tax year, is entitled to the additional amount
28 provided in either the first paragraph of the Code or
29 the higher amount provided in the 3rd paragraph. An
30 additional personal exemption tax credit is also
31 allowable to each individual who, pursuant to the
32 Code, Section 63(f), is, if claiming a standard

