

# MAINE STATE LEGISLATURE

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L.D. 863

(Filing No. S- 202)

STATE OF MAINE  
SENATE  
114TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 326, L.D. 863, Bill, "An Act to Allow the Maine Potato Board and the Maine Blueberry Commission to Retain Interest on the Cash Balance of Tax Funds"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act to Make Investment Earnings on Commodity Taxes Consistent'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 36 MRSA §4511, sub-§1 is amended to read:

1. Collection and enforcement. For the collection of the tax provided for by section 4505 and the enforcement of this chapter, Each year, the first \$20,000 of income from any investments of these taxes shall accrue to the General Fund undedicated revenue. Any additional amounts shall accrue to the dairy tax account and shall be appropriated for the same purposes specified in section 4503-A;

Sec. 2. 36 MRSA §4606, sub-§1, as enacted by PL 1985, c. 753, §§14 and 15, is amended to read:

1. Collection and enforcement. For the collection of the tax provided for in this chapter and the enforcement of this chapter, Each year, the first \$20,000 of income from any investments of these taxes shall accrue to the General Fund undedicated revenue. Any additional amounts shall accrue to the potato tax account and shall be appropriated for the same purposes specified in section 4604; and

Sec. 3. 36 MRSA §4699, sub-§1 is amended to read:

1. Collection and enforcement. For the collection of the tax and enforcement of this chapter, Each year, the first \$20,000 of income from any investments of these taxes shall

1 accrue to the General Fund undedicated revenue. Any additional  
2 amounts shall accrue to the sardine tax account and shall be  
3 appropriated for the same purposes specified in subsection 2; and

5  
7 **FISCAL NOTE**

9 This bill will result in a loss of revenue to the General  
10 Fund to the extent that investments generate more than \$20,000 in  
11 interest earnings. Based on fiscal year 1989-90 balances and  
12 earnings, the loss would have been about \$8,000 from dairy tax  
13 earnings, \$4,000 from potato tax earnings and nothing from the  
14 sardine industry because their investment earnings did not reach  
15 \$20,000. Due to unknown future cash balances available for  
16 investment and unknown future earning rates, the precise fiscal  
17 impact of the bill cannot be determined.'

19 **STATEMENT OF FACT**

21  
23 This amendment makes the State's handling of investment  
24 earnings from the dairy tax, the potato tax and the sardine tax  
25 consistent with the handling of the blueberry tax.

Reported by Senator Baldacci for the Committee on Taxation.  
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