

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

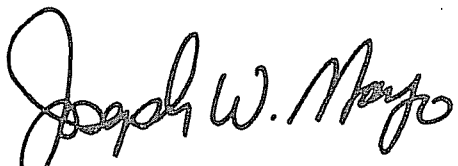
No. 979

H.P. 720

House of Representatives, March 22, 1993

An Act to Adjust the Percentage of State Revenues Credited to the Local Government Fund to Replace the Loss of the Inventory Tax Reimbursement.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative STROUT of Corinth.
Cosponsored by Representatives: CROSS of Dover-Foxcroft, GOULD of Greenville, HUSSEY of Milo, KERR of Old Orchard Beach, MARTIN of Eagle Lake, MELENDY of Rockland, MORRISON of Bangor, MURPHY of Berwick, PLOURDE of Biddeford, POULIOT of Lewiston, SAXL of Bangor, SULLIVAN of Bangor.

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

4 Sec. 1. 30-A MRSA §5681, sub-§5, as amended by PL 1991, c.
780, Pt. Q, §1, is further amended to read:

6 5. Treasurer of State. An amount equal to ~~5.1%~~ 5.4% of the
8 receipts from the taxes imposed under Title 36, Parts 3 and 8,
and credited to the General Fund must be transferred by the
10 Treasurer of State to the Local Government Fund on the first day
of each month beginning August 1, 1992.

12 The Treasurer of State shall distribute the balance in the Local
Government Fund on the 20th day of each month.
14

16 STATEMENT OF FACT

18 This bill restores \$237,000 per month, or \$2,800,000
20 annually, to the Local Government Fund. The Legislature provided
these funds to municipalities beginning in 1982 in return for
22 phasing out the inventory tax, which terminated in 1983. This
sum was deducted in fiscal year 1992-93 as part of the reductions
24 made to Municipal Revenue Sharing in response to the State's
budget crisis. Restoration of these funds will help ease the
burden on local property taxes.