

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 407

H.P. 303

House of Representatives, February 6, 1995

An Act to Promote Economic Growth and Job Promotion by Phasing Out the Personal Property Tax, Capping the Corporate Income Tax and Returning Revenue to Communities.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative WATERHOUSE of Bridgton.
Cosponsored by Representatives: AIKMAN of Poland, AULT of Wayne, BARTH of Bethel, BIRNEY of Paris, DAMREN of Belgrade, DONNELLY of Presque Isle, GUERRETTE of Pittston, LABRECQUE of Gorham, LIBBY of Buxton, LUMBRA of Bangor, McALEVEY of Waterboro, MURPHY of Berwick, WINSOR of Norway, Senators: HANLEY of Oxford, LORD of York.

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

4 **Sec. 1. 36 MRSA §601-A** is enacted to read:

6 **§601-A. Phaseout of personal property tax**

8 **1. Schedule.** The personal property tax assessed pursuant
10 to this Part must be progressively reduced to 0% according to the
12 following schedule. The percentage of applicable mil rate
14 assessed on personal property is:

16 A. For the tax year beginning April 1, 1996, 75%;

18 B. For the tax year beginning April 1, 1997, 50%;

20 C. For the tax year beginning April 1, 1998, 25%; and

22 D. For the tax year beginning April 1, 1999 and thereafter,
24 0%.

26 **Sec. 2. 36 MRSA §655**, as amended by PL 1991, c. 546, §9, is
28 further amended by adding at the end a new paragraph to read:

30 This section is repealed April 1, 1999.

32 **Sec. 3. 36 MRSA §§655-A and 5200-B** are enacted to read:

34 **§655-A. Personal property exempt**

36 Beginning April 1, 1999, all personal property is exempt
38 from taxation.

40 **§5200-B. Growth revenue**

42 Any taxes collected pursuant to this chapter in an amount
44 greater than \$67,985,364 must be transferred by the Treasurer of
46 State to the Local Government Fund established in Title 30-A,
48 section 5681. This growth revenue is intended to meet the
50 requirement of the Constitution of Maine, Article IV, Part Third,
Section 23.

STATEMENT OF FACT

This bill gradually reduces the personal property tax to zero and requires the State to use any corporate income taxes collected above the amount collected in fiscal year 1991-92 to offset the loss in municipal property tax revenue.