

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1453

H.P. 1034

House of Representatives, May 2, 1995

**An Act to Amend the Taxation System to Alleviate the Property Tax
Burden and the Resulting Impact on School Funding.**

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 TOWNSEND of Portland.
Cosponsored by Representative SIMONEAU of Thomaston and
Representatives: DiPIETRO of South Portland, MORRISON of Bangor, POULIOT of
Lewiston, SHIAH of Bowdoinham, Senator: RAND of Cumberland.

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

4 **Sec. 1. 36 MRSA c. 11 is enacted to read:**

6 **CHAPTER 11**

8 **TAX INCIDENCE REPORT**

10 **§200. Tax incidence report**

12 **1. Biennial report.** The State Tax Assessor shall report to
14 the Legislature by March 1st of each odd-numbered year on the
16 overall incidence of the income tax, sales and excise taxes,
18 property tax and tax exceptions. The report must present
20 information on the distribution of the tax burden:

22 A. For the overall income distribution, using a system-wide
24 incidence measure or other appropriate measures of equality
26 and inequality;

28 B. By income classes, including at a minimum deciles of the
30 income distribution; and

32 C. By other appropriate taxpayer characteristics.

34 **2. Bill analyses.** At the request of the chair of the joint
36 standing committee of the Legislature having jurisdiction over
38 taxation matters, the State Tax Assessor shall prepare an
40 incidence impact analysis of a bill or an amendment to change the
42 tax system that increases, decreases or redistributes taxes by
44 more than \$20,000,000. To the extent data is available on the
46 changes in the distribution of the tax burden that are affected
by the bill or proposal, the analysis must report on the
incidence effects that would result if the bill were enacted.
The report may present information using system-wide measures, or
other similar indexes, by income classes, taxpayer
characteristics or other relevant categories. The report may
include analyses of the effect of the bill or amendment on
representative taxpayers. The analysis must include a statement
of the incidence assumptions that were used in computing the
burdens.

3. Income measure. The incidence analyses must use the
broadest measure of economic income for which reliable data are
available.

STATEMENT OF FACT

2

4 The purpose of this bill is to create a taxation system that
6 alleviates the property tax burden and the resulting impact on
8 school funding. This bill requires the State Tax Assessor to
10 report to the Legislature biennially on the overall incidence of
12 the income tax, sales and excise tax and property tax. The bill
 also requires the State Tax Assessor, at the request of the chair
 of the joint standing committee of the Legislature having
 jurisdiction over taxation matters, to prepare an incidence
 impact analysis of certain bills or amendments that propose to
 change the tax system.