

MAINE STATE LEGISLATURE

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MINORITY
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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 86, L.D. 111, Bill, "An Act to Exempt Capital Gains from the Maine Income Tax"

Amend the bill by inserting after section 6 the following:

'Sec. 7. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1998-99

ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF

Bureau of Taxation

Positions - Legislative Count	(1,000)
Personal Services	\$15,379
All Other	19,600
Capital Expenditures	3,000
TOTAL	<u>\$37,979</u>

Provides funds for one Tax Examiner position, effective January 1, 1999, computer modifications and related administrative expenses to process and audit additional information that would be required on income tax returns.'

Further amend the bill by renumbering the sections to read consecutively.

COMMITTEE AMENDMENT

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

General Fund \$37,979

REVENUES

General Fund (\$50,561,800)
Other Funds (2,718,200)

The additional income tax exemption for capital gains will decrease General Fund revenue by \$50,561,800 annually beginning in fiscal year 1998-99. The corresponding decreases in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be \$2,718,200 annually. These revenue losses may be partially offset by additional sales and use tax and income tax revenue associated with additional economic activity as a result of this substantial income tax exemption. However, the amount of any offset can not be estimated.

The Bureau of Taxation will require an additional General Fund appropriation of \$37,979 in fiscal year 1998-99 for one Tax Examiner, effective January 1, 1999, computer modifications and related administrative expenses to audit and process the additional information that would be required on income tax returns. The estimated full-year costs for this position and associated administrative expenses are approximately \$39,596 beginning in fiscal year 1999-00.'

SUMMARY

This amendment adds an appropriation section and fiscal note to the bill.