

MAINE STATE LEGISLATURE

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m
R.E.E.

L.D. 1897

2 DATE: June 1, 1997

(Filing No. S-44/)

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10 STATE OF MAINE
12 SENATE
14 118TH LEGISLATURE
16 FIRST SPECIAL SESSION

18 SENATE AMENDMENT "D" to H.P. 1350, L.D. 1897, Bill, "An Act
20 Concerning Tax Relief"

22 Amend the bill in Part B by striking out all of section 13
24 and inserting in its place the following:

26 '**Sec. B-13. Transfer of funds.** The State Controller shall
28 transfer from the Tax Relief Fund for Maine Residents to the
30 General Fund \$434,232 in fiscal year 1997-98 and \$2,195,280 in
32 fiscal year 1998-99 to offset the revenue loss associated with
34 the credits and exemptions established in this Part.'

Further amend the bill in Part D by striking out all of
section 3 and inserting in its place the following:

36 '**Sec. D-3. Transfer of funds.** The State Controller shall
38 transfer from the Tax Relief Fund for Maine Residents to the
40 General Fund \$44,698 in fiscal year 1997-98 and \$74,022 in fiscal
42 year 1998-99 to offset the revenue loss associated with the sales
tax exemption established in this Part.'

Further amend the bill in Part E by striking out all of
section 3 and inserting in its place the following:

'**Sec. E-3. Transfer of funds.** The State Controller shall
transfer from the Tax Relief Fund for Maine Residents to the
General Fund \$1,400,724 in fiscal year 1997-98 and \$982,215 in
fiscal year 1998-99 to offset the revenue loss associated with
the income tax credit established in this Part.'

R. of S.

SENATE AMENDMENT "D" to H.P. 1350, L.D. 1897

2 Further amend the bill by striking out all of the fiscal
note and inserting in its place the following:

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FISCAL NOTE

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1997-98

1998-99

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APPROPRIATIONS/ALLOCATIONS

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Other Funds \$5,343,341 \$5,883,551

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REVENUES

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General Fund \$-0- \$-0-

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Other Funds (103,164) (174,740)

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This bill is contingent upon \$16,333,063 being certified as existing in the Tax Relief Fund for Maine Residents in fiscal year 1997-98. The General Fund revenue reductions and costs are funded during the 1998-1999 biennium by allocations and transfers from the Tax Relief Fund for Maine Residents.

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The sales tax exemptions and income tax credits and other statutory changes with General Fund costs included in this bill will reduce General Fund revenue and increase General Fund costs by a total of approximately \$9,000,000 annually beginning in fiscal year 1999-2000.

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The bill provides Other Special Revenue allocations of \$5,261,358 and \$5,844,147 in fiscal years 1997-98 and 1998-99, respectively, for the additional costs due to changes in eligibility for the Maine Residents Property Tax Relief Program and for the related administrative costs.

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The bill also provides Other Special Revenue allocations from the Tax Relief Fund for Maine Residents of \$39,480 for two legislative studies in fiscal year 1997-98.

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Parts B, D and E of the bill, creating new sales tax and income tax exemptions, will decrease General Fund revenue by \$1,879,654 in fiscal year 1997-98 and \$3,251,517 in fiscal year 1998-99. The corresponding decreases in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be \$103,164 and \$174,740, respectively. The reductions in General Fund revenue are offset by annual transfers from the Property Tax Relief Fund for Maine Residents.

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The bill also includes additional Other Special Revenue allocations from the Tax Relief Fund for Maine Residents to the Bureau of Taxation totaling \$42,503 and \$39,404 in fiscal years

SENATE AMENDMENT

SENATE AMENDMENT "D" to H.P. 1350, L.D. 1897

1997-98 and 1998-99, respectively, for a Revenue Agent position,
effective January 1, 1998, computer programming and related
administrative expenses to administer and enforce the
high-technology investment tax credit.'

SUMMARY

This amendment makes a technical correction to the wording
of the transfer of funds language and replaces the fiscal note.

SPONSORED BY:

(Senator MICHAUD)

COUNTY: Penobscot