

MAINE STATE LEGISLATURE

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L.D. 1950

DATE: *March 30, 1998*

(Filing No. S-664)

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STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "N" to COMMITTEE AMENDMENT "A" to H.P. 1397, L.D. 1950, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and Changes to Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1998 and June 30, 1999"

Amend the amendment in Part T by striking out all of section 5.

Further amend the amendment by inserting after Part DDD the following:

PART EEE

Sec. EEE-1. 36 MRSA §1752, sub-§3-B, as amended by PL 1991, c. 846, §17, is further amended to read:

3-B. Grocery staples. "Grocery staples" means food products ordinarily consumed for human nourishment and includes, but is not limited to, cereals and grain products, including bread, rolls and unflavored matzo; milk and milk products; oleomargarine; meat and meat products; fish and seafood products; poultry; eggs and egg products; vegetables and vegetable products, including pickles; fruit and fruit products, including fruit juices and fruit sauces; naturally flavored powdered or liquid drink mixes or drinks; spices, condiments, including jams, jellies and peanut butter, salt and sugar; coffee and tea; and unroasted nuts.

"Grocery staples" does not include spirituous, malt or vinous liquors; soft drinks, iced tea, sodas or beverages such as are ordinarily dispensed at bars or soda fountains or in connection

with bars or soda fountains; medicines, tonics, vitamins and preparations in liquid, powdered, granular, tablet, capsule, lozenge or pill form, sold as dietary supplements or adjuncts, except when sold on the prescription of a physician; water, including mineral bottled and carbonated waters and ice; dietary substitutes; ~~snack-feed;~~ candy and confections, chewing gum, ice cream novelties; frozen confections; and prepared food.

Sec. EEE-2. 36 MRSA §1752, sub-§14-C, as enacted by PL 1991, c. 591, Pt. WW, §2 and affected by §4, is repealed.

Sec. EEE-3. 36 MRSA §5126, first ¶, as amended by PL 1997, c. 24, Pt. E, §2, is further amended to read:

A For income tax years beginning on or after January 1, 1998 but before January 1, 1999, a resident individual is allowed \$2,100 \$2,400 for each exemption to which the individual is entitled for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. No For income tax years beginning on or after January 1, 1999, a resident individual is allowed \$2,750 for each exemption to which the individual is entitled for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. An additional exemption may-be is not allowed for taxpayers over 65 years of age or blind. The nominal-dollar-amount-of-this-section-is-subject-to-adjustment pursuant-to-Title-5,-section-1518.

Sec. EEE-4. 36 MRSA §5126, 2nd ¶, as enacted by PL 1997, c. 24, Pt. E, §2, is amended to read:

For tax years beginning on or after January 1, 1999 2000, the nominal dollar amount of this section is also subject to annual adjustment by multiplying it by the percentage adjustment factor defined in section 5402, subsection 2 and rounded down to the nearest \$50. If any adjustment is made pursuant to this paragraph, it is effective for the current taxable year and is incorporated into the income tax forms and instructions of the State Tax Assessor for that taxable year.

Sec. EEE-5. 36 MRSA §6207, sub-§1, ¶A-1, as amended by PL 1997, c. 557, Pt. A, §3 and affected by Pt. G, §1, is further amended to read:

A-1. Fifty percent of that portion of the benefit base that exceeds ~~4%~~ 2% but does not exceed 8% of income plus 100% of that portion of the benefit base that exceeds ~~8%~~ 6% of income to a maximum payment of ~~\$1,000~~ \$3,000.

any nonconsecutive Part letter or section number to read
consecutively.

FISCAL NOTE

This amendment will have no net effect on General Fund appropriations and revenue and a balanced budget is maintained for fiscal year 1997-98 and fiscal year 1998-99.

SUMMARY

This amendment repeals the snack tax, effective January 1, 1999, but leaves intact the taxation of those items that were taxable prior to the enactment of the snack tax.

This amendment also increases the individual income tax personal exemption in a 2-step process in an attempt to conform with the federal individual income tax personal exemption.

This amendment expands the circuit breaker program in 3 ways. First, the tax to income thresholds are reduced from 4% and 8% to 2% and 6%, respectively. Second, the income thresholds are increased in program year 1998 from \$26,400 for singles and \$41,100 for joint filers to \$40,000 and \$60,000, respectively. Third, it increases the maximum benefit from \$1,000 to \$3,000.

This amendment funds the repeal of the snack tax, the expansion of the circuit breaker program and the increase in the personal exemption with funding from the Maine Rainy Day Fund.

SPONSORED BY:

(Senator AMERO)

COUNTY: Cumberland