

MAINE STATE LEGISLATURE

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M
R # 8

L.D. 2219

DATE: 3-12-98

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1589, L.D. 2219, Bill, "An Act to Reduce Income and Property Taxes"

Amend the amendment by striking out everything after the title and before the 2nd paragraph before the fiscal note and inserting in its place the following:

'Amend the bill by striking out all of section 4 and inserting in its place the following:

'Sec. 4. 36 MRSA §5219-O is enacted to read:

§5219-O. Earned income tax credit

A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for earned income. In no case may this credit reduce the Maine income tax to less than zero.'

FISCAL NOTE

This amendment will decrease the combined total cost of the bill to the General Fund and the Tax Relief Fund for Maine Residents by \$17,734,132 in fiscal year 1998-99, \$22,530,775 in fiscal year 1999-2000 and \$23,621,570 in fiscal year 2000-01.

HOUSE AMENDMENT

2 The elimination of the homestead exemption will decrease
3 General Fund appropriations and future General Fund costs. The
4 reductions of General Fund revenue, Tax Relief Fund for Maine
5 Residents revenue and dedicated revenue to Local Government Fund
6 for state-municipal revenue sharing will be increased as a result
7 of the elimination of the offset from the savings in itemized
8 deductions in individual income taxes. The earned income tax
9 credit will decrease General Fund revenue, Tax Relief Fund for
10 Maine Residents revenue and dedicated revenue to the Local
11 Government Fund for state-municipal revenue sharing.

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SUMMARY

15 This amendment eliminates the Maine Resident Homestead
16 Property Tax Exemption that was established in Committee
17 Amendment "A". This amendment establishes an earned income tax
18 credit for state taxes that amounts to 25% of the federal earned
19 income tax credit.

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23 SPONSORED BY: KENNETH J LEMONT
24 (Representative LEMONT)

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TOWN: Kittery

HOUSE AMENDMENT