

# MAINE STATE LEGISLATURE

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DATE: June 3, 1999

(Filing No. S- 421 )

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

SENATE AMENDMENT " A" to COMMITTEE AMENDMENT "A" to H.P. 90, L.D. 103, Bill, "An Act to Implement the Recommendations of the Commission to Study Poverty Among Working Parents with Regard to State Earned Income Credit"

Amend the amendment in section 1 in that part designated "~~\$5219-0.~~" in the first paragraph in the 2nd line (page 1, line 33 in amendment) by striking out the following: "5%" and inserting in its place the following: '0.5%'

Further amend the amendment in section 2 in the last line (page 1, line 38 in amendment) by striking out the following: "2000" and inserting in its place the following: '2001'

Further amend the amendment by striking out all of section 3.

**FISCAL NOTE**

This amendment reduces the amount of the earned income credit and delays its application to tax years beginning on or after January 1, 2001. As amended, this bill will decrease individual income tax collections by \$25,159 in fiscal year 2000-01 and approximately \$250,000 annually beginning in fiscal year 2001-02. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in fiscal year 2000-01 by \$1,283 and approximately \$12,750 annually beginning in fiscal year 2001-02. The resulting net reductions of General Fund revenue will be \$23,876 in fiscal year 2000-01 and approximately \$237,250 annually beginning in fiscal year 2001-02.

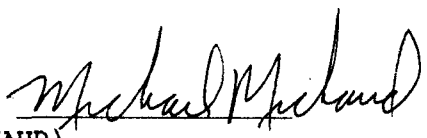
The Bureau of Revenue Services will incur additional costs estimated to be \$66,657 in fiscal year 2001-02 for computer programming costs to modify the Maine Automated Tax System and

**SENATE AMENDMENT**

for one Tax Examiner position, beginning January 1, 2002, to  
audit the eligibility of taxpayers claiming the credit. Costs  
beginning in fiscal year 2002-03 are estimated to be  
approximately \$70,000 annually.

### SUMMARY

This amendment changes the amount of the earned income  
credit to 0.5% of the federal credit and changes the application  
date to January 1, 2001. The amendment also strikes the  
appropriation.

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