

# MAINE STATE LEGISLATURE

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10  
R. 100

L.D. 968

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DATE: 4-14-99

(Filing No. H-218)

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**MAJORITY  
TAXATION**

10 Reproduced and distributed under the direction of the Clerk of  
12 the House.

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

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20 COMMITTEE AMENDMENT "A" to H.P. 701, L.D. 968, Bill, "An  
Act to Restore Municipal Revenue Sharing"

22 Amend the bill by striking out everything after the enacting  
24 clause and before the summary and inserting in its place the  
following:

26 'Sec. 1. 30-A MRSA §5681, sub-§5, as amended by PL 1991, c.  
28 780, Pt. Q, §1, is further amended to read:

30 5. Treasurer of State. An amount equal to 5.1% of the  
32 receipts from the taxes imposed under Title 36, Parts 3 and 8,  
and credited to the General Fund must be transferred by the  
Treasurer of State to the Local Government Fund on the first day  
of each month beginning August 1, 1992.

34 The amounts credited to the fund under this section must be  
36 calculated on the total amount of the receipts from the taxes  
38 imposed under Title 36, Parts 3 and 8 and credited to the General  
40 Fund without any reduction, including any reduction attributable  
42 to, or caused by Title 36, section 1811. This section must be  
construed to take precedence over any provision that purports to  
reduce the amounts to be credited to the fund.

44 In fiscal year 1999-00, the State Controller shall transfer to  
46 the Local Government Fund an additional amount of \$1,152,347 from  
the sales tax reserve established administratively in fiscal year  
1998-99 in response to the requirements of Title 36, section

R. & S.

1811. This amount must be transferred on or near October 1, 1999 so that it can be included in the amounts to be distributed on October 20, 1999.

The Treasurer of State shall distribute the balance in the Local Government Fund on the 20th day of each month.'

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

**FISCAL NOTE**

This bill transfers \$1,152,347 from the Sales Tax Reserve to the Local Government Fund in fiscal year 1999-00. This amount will be distributed through the state-municipal revenue sharing program by October 20, 1999.'

**SUMMARY**

This is the majority report of the Joint Standing Committee on Taxation.

This amendment authorizes the transfer of \$1,152,347 from the sales tax reserve to the Local Government Fund in fiscal year 1999-00. This sum represents the amount that would have been transferred to the Local Government Fund if the 4-month reserving of money authorized in the Maine Revised Statutes, Title 36, section 1811 had not been interpreted and applied to preclude that transfer.

This amendment also adds language that is designed to prevent a reduction to the Local Government Fund due to the application of Title 36, section 1811 or any other law. It is intended to make clear that the Local Government Fund, from which state-municipal revenue sharing is sent to all municipalities in the State and Indian nations, must be credited with a calculation based on the State's total sales and use tax and income tax receipts regardless of the operation of any other inconsistent law.

This amendment also adds a fiscal note to the bill.