

MAINE STATE LEGISLATURE

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L.D. 1847

DATE: 5-20-99

(Filing No. H-651)

MAJORITY TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1286, L.D. 1847, Bill, "An Act to Increase to 5.5% the Amount of Revenue Dedicated to General Revenue Sharing"

Amend the bill by striking out the title and substituting the following:

'An Act to Increase the Amount of Revenue Dedicated to Local Revenue Sharing'

Further amend the bill in section 1 in subsection 5 in the first line (page 1, line 6 in L.D.) by striking out the following: "5.5%" and inserting in its place the following: '5.3%'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

1999-00 2000-01

TREASURER OF STATE, OFFICE OF THE

State - Municipal Revenue Sharing

All Other \$2,991,332 \$3,996,306

COMMITTEE AMENDMENT

2 Allocates funds to authorize
 3 the distribution of the
 4 additional amounts available
 5 in the Local Government Fund
 6 as a result of the increase
 7 in the percentage of income
 8 and sales and use taxes that
 9 are set aside for
 10 state-municipal revenue
 11 sharing.'

12 **Sec. 3. Effective date.** This Act takes effect October 1, 1999.'

14 Further amend the bill by inserting at the end before the
 15 summary the following:
 16

18 **FISCAL NOTE**

20 **1999-00** **2000-01**

22 **APPROPRIATIONS/ALLOCATIONS**

24 Other Funds \$2,991,332 \$3,996,306

26 **REVENUES**

28 General Fund (\$2,991,332) (\$3,996,306)
 30 Other Funds 2,991,332 3,996,306

32 The increase in the percentage of tax revenues set aside for
 34 state-municipal revenue sharing will decrease General Fund
 35 revenue by \$2,991,332 in fiscal year 1999-00 and \$3,996,306 in
 36 fiscal year 2000-01. Allocations equal to the decreases of
 37 General Fund revenue are included to authorize the distribution
 38 of the additional dedicated revenue available for revenue
 39 sharing. This estimate is based on the March 1999 General Fund
 40 revenue reprojction of the Maine Revenue Forecasting Committee.

42 This bill also requires that the transfers to the Local
 43 Government Fund for revenue sharing are calculated before any
 44 transfers are made from the revenue generated by the
 45 revenue-sharing taxes. In the event that any transfers are
 46 authorized, such as the automatic reduction of the sales and use
 47 tax rate pursuant to the Maine Revised Statutes, Title 36,
 48 section 1811, this bill will base the calculation of the
 "revenue-sharing" transfers on the gross amount of revenue

collected from the revenue-sharing taxes. However, it may not prevent a reduction of three months of "revenue-sharing" transfers in the event that the sales tax reduction is triggered at the end of fiscal year 1998-99.'

SUMMARY

This amendment changes the proposed increase in state-municipal revenue sharing from 5.5% to 5.3%. This amendment also adds an allocation section and a fiscal note to the bill.