

MAINE STATE LEGISLATURE

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

HOUSE AMENDMENT "P" to COMMITTEE AMENDMENT "A" to H.P. 1790, L.D. 2510, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2000 and June 30, 2001"

Amend the amendment by striking out all of Part T and inserting in its place the following:

PART T

Sec. T-1. 36 MRSA §5111, first ¶, as repealed and replaced by PL 1989, c. 495, §1 and affected by c. 596, Pt. J, §7, is amended to read:

A tax is imposed for each taxable year beginning on or after January 1, 1989 2000, on the Maine taxable income of every resident individual of this State. The amount of the tax is to be determined as follows provided in this section.

Sec. T-2. 36 MRSA §5111, sub-§1-A, as enacted by PL 1991, c. 591, Pt. YY, §2 and affected by §7, is repealed and the following enacted in its place:

1-A. Single individuals and married persons filing separate returns. For single individuals and married persons filing separate returns:

If Maine taxable income is:

The tax is:

Less than \$4,150

2% of the Maine taxable income

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2	<u>At least \$4,150 but</u>	<u>\$83 plus 4.5% of</u>
4	<u>less than \$8,250</u>	<u>the excess over</u>
		<u>\$4,150</u>
6	<u>At least \$8,250 but</u>	<u>\$268 plus 7% of</u>
8	<u>less than \$16,500</u>	<u>the excess over</u>
		<u>\$8,250</u>
10	<u>\$16,500 or more</u>	<u>\$846 plus 8.5%</u>
12		<u>of the excess</u>
		<u>over \$16,500</u>

14 **Sec. T-3. 36 MRSA §5111, sub-§2-A**, as enacted by PL 1991, c.
15 591, Pt. YY, §4 and affected by §7, is repealed and the following
16 enacted in its place:

18 **2-A. Heads of households.** For unmarried individuals or
19 legally separated individuals who qualify as heads of households:

20	<u>If Maine taxable income is:</u>	<u>The tax is:</u>
22	<u>Less than \$6,200</u>	<u>2% of the Maine</u>
24		<u>taxable income</u>
26	<u>At least \$6,200 but</u>	<u>\$124 plus 4.5%</u>
28	<u>less than \$12,400</u>	<u>of the excess</u>
		<u>over \$6,200</u>
30	<u>At least \$12,400 but</u>	<u>\$403 plus 7% of</u>
32	<u>less than \$24,750</u>	<u>the excess over</u>
		<u>\$12,400</u>
34	<u>\$24,750 or more</u>	<u>\$1,268 plus</u>
36		<u>8.5% of the</u>
		<u>excess over</u>
		<u>\$24,750</u>

38 **Sec. T-4. 36 MRSA §5111, sub-§3-A**, as enacted by PL 1991, c.
40 591, Pt. YY, §6 and affected by §7, is repealed and the following
41 enacted in its place:

42 **3-A. Individuals filing married joint return or surviving**
43 **spouses.** For individuals filing married joint returns or
44 surviving spouses permitted to file a joint return:

46	<u>If Maine taxable income is:</u>	<u>The tax is:</u>
48	<u>Less than \$8,250</u>	<u>2% of the Maine</u>
50		<u>taxable income</u>

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2	<u>At least \$8,250 but</u>	<u>\$165 plus 4.5%</u>
4	<u>less than \$16,500</u>	<u>of the excess</u>
		<u>over \$8,250</u>
6	<u>At least \$16,500 but</u>	<u>\$536 plus 7% of</u>
8	<u>less than \$33,000</u>	<u>the excess over</u>
		<u>\$16,500</u>
10	<u>\$33,000 or more</u>	<u>\$1,691 plus</u>
12		<u>8.5% of the</u>
14		<u>excess over</u>
		<u>\$33,000</u>

16 **Sec. T-5. 36 MRSA §5402, sub-§1-B** is enacted to read:

18 1-B. Cost-of-living adjustment. The "cost-of-living
adjustment" for any calendar year is the Consumer Price Index for
the 12-month period ending June 30th of the preceding calendar
year divided by the Consumer Price Index for the 12-month period
ending June 30, 1999.

22 **Sec. T-6. 36 MRSA §5402, sub-§§2 and 3**, as amended by PL 1989,
24 c. 495, §6, are repealed.

26 **Sec. T-7. 36 MRSA §5403**, as amended by PL 1991, c. 591, Pt.
28 CCC, is repealed and the following enacted in its place:

30 **§5403. Annual adjustments for inflation**

32 Beginning in 2000, and each subsequent calendar year
thereafter, on or about September 15th, the State Tax Assessor
shall multiply the cost-of-living adjustment for taxable years
beginning in the succeeding calendar year by the dollar amounts
of the tax rate tables specified in section 5111, subsections
1-A, 2-A and 3-A. If the dollar amounts of each rate bracket,
adjusted by application of the cost-of-living adjustment, are not
multiples of \$50, any increase must be rounded to the next lowest
multiple of \$50. If the cost-of-living adjustment for any
taxable year is 1.000 or less, no adjustment may be made for that
taxable year in the dollar bracket amounts of the tax rate
tables. The assessor shall incorporate such changes into the
income tax forms, instructions and withholding tables for the
taxable year.

46 **Sec. T-8. Application.** That section of this Part that enacts
48 the Maine Revised Statutes, Title 36, section 5402, subsection
1-B; that section that repeals section 5402, subsections 2 and 3;
and that section that repeals and replaces

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2 section 5403 apply to tax years beginning on or after January 1,
2000.'

4 Further amend the amendment by striking out all of Parts
FFF, GGG and NNN.

6 Further amend the amendment by inserting after Part DDDD the
8 following:

10 **PART EEEE**

12 **Sec. EEEE-1. Appropriation.** The following funds are
14 appropriated from the General Fund to carry out the purposes of
this Part.

16 **2000-01**

18 **ADMINISTRATIVE AND FINANCIAL
20 SERVICES, DEPARTMENT OF**

22 **Bureau of General Services - Capital
Construction and Improvement Reserve Fund**

24 Capital Expenditures \$29,627,290

26 Provides funds for the site preparation and
28 construction of a new psychiatric treatment
center.

30 **DEPARTMENT OF ADMINISTRATIVE
AND FINANCIAL SERVICES**

32 **TOTAL**

\$29,627,290

34 **EDUCATION, DEPARTMENT OF**

36 **Maine Learning Technology Endowment**

38 All Other (\$30,000,000)

40 Deappropriates funds provided in Part A,
42 section 1 to help capitalize the Maine
Learning Technology Endowment.

44 **DEPARTMENT OF EDUCATION
TOTAL**

(\$30,000,000)

46 **SECTION TOTAL**

(\$372,710)'

48

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Further amend the amendment by relettering or renumbering
any nonconsecutive Part letter or section number to read
consecutively.

FISCAL NOTE

This amendment will increase the net General Fund cost of
the bill in fiscal year 2000-01 by \$2,473,084. Due to the
projected unappropriated surplus at the end of the 2000-2001
biennium, a balanced budget is maintained for the 2000-2001
biennium.

This amendment implements the indexing of the income tax
brackets sooner resulting in additional reductions of General
Fund revenue of \$2,853,504 in fiscal year 2000-01, \$7,695,785 in
fiscal year 2001-02 and \$9,542,384 in fiscal year 2002-03. This
will also further reduce dedicated revenue to the Local
Government Fund for state-municipal revenue sharing by \$153,350
in fiscal year 2000-01, \$413,578 in fiscal year 2001-02 and
\$512,815 in fiscal year 2002-03.

This amendment also includes a General Fund deappropriation
of \$30,000,000 in fiscal year 2000-01 to the Maine Learning
Technology Endowment and strikes Parts FFF and GGG related to the
Maine Learning Technology Endowment. The elimination of Part FFF
also will eliminate the General Fund appropriation of \$7,710 in
fiscal year 2000-01 for the Legislature for a task force related
to the Maine Learning Technology Endowment.

The elimination of the Education Technology Reserve in Part
GGG that would have provided up to \$20,000,000 of excess General
Fund revenue and available balance remaining from the
unappropriated surplus at the close of fiscal year 1999-00 to the
Maine Learning Technology Endowment will avoid the diversion of
funds that may have otherwise been available for transfer to the
Maine Rainy Day Fund, the Retirement Allowance Fund, the State
Contingent Account and the Reserve for General Fund Operating
Capital.

The amendment also includes a General Fund appropriation of
\$29,627,290 in fiscal year 2000-01 to provide funding for the
psychiatric treatment facility to replace Part NNN, the Maine
Governmental Facilities Authority authorization to issue up to
\$33,000,000 of securities for the facility. The elimination of
Part NNN will reduce debt service costs, a portion of which would
be eligible for federal reimbursement. This will reduce the
amounts that will accrue to the Retirement Allowance Fund to
reduce the unfunded liability in future years pursuant to Part
OOO.

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SUMMARY

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This amendment eliminates the Maine Learning Technology Endowment, the Maine Learning Technology Reserve and the amount up to \$20,000,000 that was designated to be set aside in the reserve for the endowment from excess revenues and unappropriated surplus.

10

This amendment also eliminates the Maine Governmental Facilities Authority funding for the psychiatric treatment facility and replaces that financing with a General Fund appropriation that is offset with the amounts appropriated for the Maine Learning Technology Endowment.

16

This amendment also implements the full indexing of the individual income tax brackets sooner beginning in tax year 2001.

20

22

SPONSORED BY:



(Representative MACK)

24

TOWN: Standish

26

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