

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 496

S.P. 152

In Senate, February 6, 2001

An Act to Amend the Maine Revenue-sharing Formula.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator LEMONT of York.
Cosponsored by Representative WHEELER of Eliot and
Representatives: ANDREWS of York, COLLINS of Wells, ESTES of Kittery, McKENNEY
of Cumberland, MURPHY of Berwick.

2
3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 30-A MRSA §5681, sub-§2, ¶¶C and D,** as enacted by PL
5 1999, c. 731, Pt. U, §1, are repealed.

6 **Sec. 2. 30-A MRSA §5681, sub-§2, ¶E,** as enacted by PL 1999, c.
7 731, Pt. U, §1, is amended to read:

8
9 E. "Disproportionate tax burden" means the total real and
10 personal property taxes assessed in the most recently
11 completed municipal fiscal year, except the taxes assessed
12 on captured value within a tax increment financing district,
13 divided by the latest state valuation certified to the
14 Secretary of State and reduced by ~~+.01~~ .0125.

15 **Sec. 3. 30-A MRSA §5681, sub-§5,** as repealed and replaced by
16 PL 1999, c. 731, Pt. U, §5, is amended to read:

17
18 **5. Transfers to funds.** On the last day of each month,
19 beginning July 31, 2000, the Treasurer of State shall transfer to
20 the Local Government Fund an amount equal to 5.1% of the receipts
21 from the taxes imposed under Title 36, Parts 3 and 8 and credited
22 to the General Fund without any reduction. ~~Any--amounts~~
23 ~~transferred to the Local Government Fund in excess of the annual~~
24 ~~growth ceiling must be transferred to the Disproportionate Tax~~
25 ~~Burden Fund.~~ On the last day of each month, beginning September
26 30, 2001, the Treasurer of State shall transfer to the
27 Disproportionate Tax Burden Fund an amount equal to 0.5% of the
28 receipts from the taxes imposed under Title 36, Parts 3 and 8 and
29 credited to the General Fund without any reduction.

30
31
32 **SUMMARY**

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34 This bill increases the amount of funds that will be set
35 aside for revenue sharing through the Disproportionate Tax Burden
36 Fund, "Revenue Sharing 2." An additional 0.5% of sales and
37 income tax collections will be transferred to the
38 Disproportionate Tax Burden Fund. This bill also eliminates the
39 annual growth ceiling on the transfers to the Local Government
40 Fund that are distributed through the original revenue-sharing
41 formula. Distributions under the original revenue-sharing
42 formula, as a result of the elimination of the annual growth
43 ceiling, would remain at the full 5.1% of sales and income
44 taxes. This bill also increases the tax burden level that is
45 considered disproportionate from the current threshold of 10 mils
46 to 12.5 mils.