

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 970

H.P. 751

House of Representatives, February 20, 2001

An Act to Limit the Use of Property Taxes to Fund Education.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative McGOWAN of Pittsfield.

Cosponsored by Senator LEMONT of York and

Representatives: BRYANT of Dixfield, DUNLAP of Old Town, ESTES of Kittery, GAGNE of Buckfield, JONES of Greenville, Speaker SAXL of Portland, TESSIER of Fairfield,

Senator: GAGNON of Kennebec.

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

4 **CONCEPT DRAFT**
6 **SUMMARY**

8 This bill is a concept draft pursuant to Joint Rule 208.

10 This bill proposes to cap the mill rate on property taxes
12 earmarked for education at 4 mills for primary residences and
14 business properties. The revenues lost by implementing this
16 change would be made up by the following:

18 1. By increasing the sales tax and eliminating selected
20 exemptions as recommended by the Joint Standing Committee on
22 Taxation; or

24 2. By an alternative plan to be recommended by the Joint
26 Standing Committee on Taxation.

28 This change would affect only primary residences and
30 business properties. All other real estate holdings would be
subject to the current tax rate.

This bill will be phased in over a 3-year period by
decreasing the property tax rate 1/3 of its present rate each
year for 3 years.

The intent of this bill is to equalize the levy of property
taxes, sales taxes and the personal income tax.