

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 503

H.P. 388

House of Representatives, February 5, 2003

An Act To Stimulate Economic Recovery and Growth

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CRESSEY of Baldwin.

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 stimulate economic recovery in Maine
in the following ways.

12 **1. Budget matters.** Budget matters would be affected by:

14 A. Eliminating all proposed new spending from the budget
16 enacted during the Second Regular Session of the 120th
Legislature;

18 B. Reducing by 50% all new proposed spending from the
20 budget enacted by the First Special Session of the 120th
Legislature;

22 C. Continuing a hiring freeze on state employment except
for emergency positions;

24 D. Offering an early retirement plan to state employees;

26 E. Reducing the staff and budget of the Executive
28 Department, State Planning Office by 50%; and

30 F. Cutting the budget of the Department of Human Services
32 by 25%.

34 **2. Economic growth.** Economic growth would be motivated by:

36 A. Expanding the budgets of economic growth and development
programs by 15%;

38 B. Expanding job retraining and education programs by 33%;

40 C. Creating new programs to train minorities, immigrants
and senior citizens;

42 D. Using state assets such as land and buildings as
44 collateral for low-interest loans to be used to entice
manufacturers to Maine;

46 E. Eliminating the business equipment property tax;

48 F. Reducing the tax burden on businesses for one year by
50 20%; and

2 G. Offering revenue sharing to all businesses based on the
percentage of sales reported during the prior year.

4 **3. Economic stimulus.** Businesses in Maine would be
assisted by:

6
8 A. Offering low-interest loans to businesses to upgrade old
technology, expand current practices and purchase improved
technology;

10
12 B. Offering certain businesses grants for hiring of
immigrants, Native Americans, displaced workers, welfare
recipients, single parents and rehabilitated ex-convicts; and

14
16 C. Replacing the current licensing system for businesses
with a business certificate system.

18 **4. Tax relief.** Tax relief would be obtained by:

20 A. Repealing the levy of income tax on the first \$100,000
of income; thereafter, the tax would be imposed at a rate of
22 5%. Bonuses would be exempt from income tax;

24 B. Reducing the sales and use tax to 3%;

26 C. Imposing the sales tax on all services;

28 D. Imposing the sales tax on all nonfood items; and

30 E. Eliminating all excise taxes.