

MAINE STATE LEGISLATURE

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M
R.O.S.

L.D. 1394

DATE: 4-27-04

(Filing No. H-959)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
SECOND SPECIAL SESSION

HOUSE AMENDMENT "A" to H.P. 1020, L.D. 1394, Bill, "An Act To Modernize the State's Tax System"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

PART A

Sec. A-1. 36 MRSA c. 907, as amended, is further amended by repealing the chapter headnote and enacting in its place the following:

CHAPTER 907

HOMESTEAD TAX CAP PROGRAM

Sec. A-2. 36 MRSA §6201-A, as enacted by PL 1989, c. 534, Pt. A, §4, is amended to read:

§6201-A. Short title

This chapter shall be known and may be cited as the "Maine-Residents-Property-Tax Homestead Tax Cap Program."

Sec. 3. 36 MRSA §6207, as amended by PL 1999, c. 494, §1, is further amended to read:

§6207. Calculation of benefits for nonelderly households

A claimant representing a nonelderly household qualifies for the following benefits subject to the following income limitations.

2 **1. Benefit calculation.** For claimants representing a
4 nonelderly household, the benefit is calculated as follows:

6 A-1. Fifty percent of that portion of the benefit base that
8 exceeds 4% but does not exceed 8% of income plus 100% of
that portion of the benefit base that exceeds 8% of income
to a maximum payment of \$1,000 \$3,000.

10 ~~2. --- Income --- eligibility. --- Single member --- households --- with~~
12 ~~household incomes in excess of \$25,700 and households with 2 or~~
14 ~~more members with a household income in excess of \$40,000 are not~~
~~eligible for a benefit.~~

16 **3. Subsidized housing; special needs payment.** A claim may
not be granted under this section to claimants:

18 A. Whose housing costs for the year for which relief is
20 requested were subsidized by government programs that limit
22 housing costs to a percentage of household income, except
24 that the exclusion provided by this paragraph does not apply
to persons receiving social security disability or
supplemental security income disability benefits.

26 **4. Minimum benefit.** A claim of less than \$10 may not be
granted.

28 **Sec. A-4. 36 MRSA §6209, sub-§1,** as amended by PL 1989, c.
30 508, §25, is further amended to read:

32 **§6209. Annual adjustment**

34 **1. Household income adjustment; elderly households.**
Beginning March 1, 1989, and annually thereafter, the State Tax
36 Assessor shall determine the household income eligibility
adjustment factor. That factor ~~shall be~~ is multiplied by the
38 income limitations in section 6206, applicable for the year prior
to that for which relief is requested. The result ~~shall be~~ is
40 rounded to the nearest \$100 and ~~shall apply~~ applies to the year
for which relief is requested corresponding to the year on which
42 the annualized cost of living adjustments were based. ~~Beginning~~
~~March 1, 1991, the same procedure shall be employed to adjust the~~
~~income limitation in section 6207, subsection 2.~~

44 **Sec. A-5. 36 MRSA §6210,** as amended by PL 1997, c. 557, Pt.
46 A, §4 and affected by Pt. G, §1, is further amended to read:

48 **§6210. Administration**

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2 The State Tax Assessor shall make available suitable forms
with instructions for claimants. The claim shall ~~shall~~ must be in the
4 form the State Tax Assessor ~~may-prescribe~~ prescribes and shall
must be signed by the claimant.

6 The State Tax Assessor shall include a checkoff to request
an application for the ~~Maine-Residents-Property-Tax~~ Homestead Tax
8 Cap Program on the individual income tax form. The assessor
shall also provide for the option of filing an application for
10 the ~~Maine-Residents-Property-Tax~~ Homestead Tax Cap Program using
the telefile system established by the assessor.

12 **Sec. A-6. 36 MRSA §6218**, as enacted by PL 1989, c. 534, Pt.
14 A, §10, is amended to read:

16 **§6218. Readability; application; instructions**

18 The application form and instructions used by applicants for
assistance under the ~~Maine-Residents-Property-Tax~~ Homestead Tax
20 Cap Program and its successor, if any, shall ~~shall~~ must have a
readability score, as determined by a recognized instrument for
22 measuring adult literacy levels, equivalent to no higher than a
6th grade reading level.

24 **Sec. A-7. 36 MRSA §6219**, as amended by PL 1997, c. 526, §14,
26 is further amended to read:

28 **§6219. Outreach plan required**

30 The Bureau of Revenue Services shall develop and implement a
plan of outreach to ensure that all eligible households are made
32 aware of assistance available under the ~~Maine-Residents-Property~~
~~Tax~~ Homestead Tax Cap Program and its successor, if any.

34 **Sec. A-8. 36 MRSA §6220**, as amended to PL 1997, c. 668, §40,
36 is further amended to read:

38 **§6220. Coordination required**

40 The bureau shall seek the advice and cooperation of the
Bureau of Elder and Adult Services; the Bureau of Family
42 Independence; the Bureau of Child and Family Services; advocates
for elderly and low-income individuals; and other interested
44 agencies and organizations in developing the application form and
instruction booklet for the ~~Maine--Residents--Property--Tax~~
46 Homestead Tax Cap Program and the outreach plan required by
section 6219.

48 **Sec. A-9. Revision of account.** The Department of Administrative
50 and Financial Services is directed to change

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2 references to accounts named "Maine Residents Property Tax Program" to "Homestead Tax Cap Program."

4 **Sec. A-10. Application.** This Part applies to applications for benefits on or after August 1, 2004.

6 **Sec. A-11. Appropriations and allocations.** The following
8 appropriations and allocations are made.

10 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
12 **DEPARTMENT OF**

14 **Homestead Tax Cap Program (0648)**

16 Initiative: Provides funds to expand the Maine Residents Property Tax Program to create the Homestead Property Tax Cap Program.

18	General Fund	2003-04	2004-05
20	All Other	\$0	\$41,370,326
22	General Fund Total	<hr/>	<hr/>
24		\$0	\$41,370,326

26 **Maine Revenue Services (0002)**

28 Initiative: Provides funds for one Tax Examiner position and other administrative costs associated with the establishment of the Homestead Property Tax Cap Program.

30	General Fund	2003-04	2004-05
32	Positions - Legislative Count	(0.000)	(1.000)
34	Personal Services	\$0	\$53,037
36	All Other	\$0	\$100,654
	General Fund Total	<hr/>	<hr/>
		\$0	\$153,691

38 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
40 **DEPARTMENT OF**

42	DEPARTMENT TOTALS	2003-04	2004-05
	GENERAL FUND	\$0	\$41,524,017
44	DEPARTMENT TOTAL - ALL FUNDS	<hr/>	<hr/>
		\$0	\$41,524,017

46 **PART B**

48 **Sec. B-1. 30-A MRSA §5681, sub-§5, ¶¶A and B,** as amended by PL
50 2003, c. 20, Pt. W, §1, are further amended to read:

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2 A. For months beginning before July 1, 2005 2004, 5.1%; and

4 B. For months beginning on or after July 1, 2005, ~~5.2%~~ 2004,
5.4%.

6 PART C

8 Sec. C-1. 36 MRSA §683, sub-§1, as repealed and replaced by PL
10 2003, c. 20, Pt. BB, §1 and affected by §3, is repealed.

12 Sec. C-2. 36 MRSA §683, sub-§1-A, as enacted by PL 2003, c.
14 20, Pt. BB, §2 and affected by §3, is repealed.

14 Sec. C-3. 36 MRSA §683, sub-§1-B is enacted to read:

16 1-B. Exemption amount. The estate up to the just value of
18 \$7,000 of the homestead of a permanent resident of this State who
20 has owned a homestead in this State for the preceding 12 months
22 is exempt from taxation except for assessments for special
24 benefits. In determining the local assessed value of the
26 exemption, the assessor shall multiply the amount of the
28 exemption by the ratio of current just value upon which the
30 assessment is based as furnished in the assessor's annual return
32 pursuant to section 383. If the title to a homestead is held by
34 the applicant jointly or in common with others, the exemption may
36 not exceed \$7,000 of the just value of the homestead but may be
38 apportioned among the owners who reside on the property to the
40 extent of their respective interests. A municipality responsible
42 for administering the homestead exemption has no obligation to
44 create separate accounts for each partial interest in a homestead
46 owned jointly or in common.

34 Sec. C-4. Application. This Part applies to property tax
36 valuations based on the status of property on or after April 1,
38 2004.

38 Sec. C-5. Appropriations and allocations. The following
40 appropriations and allocations are made.

40 ADMINISTRATIVE AND FINANCIAL SERVICES,
42 DEPARTMENT OF

44 Homestead Property Tax Exemption Reimbursement (0886)

46 Initiative: Provides funds to restore the homestead exemption to
48 \$7,000.

48	General Fund	2003-04	2004-05
	All Other	\$0	\$5,131,486

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2	General Fund Total	\$0	\$5,131,486
4	Homestead Property Tax Exemption - Mandate Reimbursement (0887)		
6	Initiative: Provides funds to reimburse municipalities for the local cost associated with changes to the homestead exemption.		
8			
	General Fund	2003-04	2004-05
10	All Other	\$0	\$33,500
12	General Fund Total	\$0	\$33,500
14	ADMINISTRATIVE AND FINANCIAL SERVICES,		
	DEPARTMENT OF		
16	DEPARTMENT TOTALS	2003-04	2004-05
18	GENERAL FUND	\$0	\$5,164,986
20	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$5,164,986

PART D

Sec. D-1. 20-A MRSA §15671, sub-§7, ¶B, as enacted by PL 2003, c. 504, Pt. A, §5, is amended to read:

B. The annual targets for the state share percentage are as follows.

- (1) For fiscal year 2005-06, the target is 49% 52.6%.
- (2) For fiscal year 2006-07, the target is 49+25% 52.6%.
- (3) For fiscal year 2007-08, the target is 49+50% 53%.
- (4) For fiscal year 2008-09, the target is 49+75% 54%.
- (5) For fiscal year 2009-10 and succeeding years, the target is 50% 55%.

Sec. D-2. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools (0308)

Initiative: Provides additional funds for the General Purpose Aid for Local Schools program.

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2	General Fund	2003-04	2004-05
	All Other	\$0	\$26,858,031
4			
	General Fund Total	\$0	\$26,858,031

PART E

8
10 **Sec. E-1. 36 MRSA §1811**, as repealed and replaced by PL 2003, c. 510, Pt. C, §12 and affected by §13, is amended to read:

12 A tax is imposed on the value of all tangible personal
14 property and taxable services sold at retail in this State. The
16 rate of tax is 7% on the value of liquor sold in licensed
18 establishments as defined in Title 28-A, section 2, subsection
20 15, in accordance with Title 28-A, chapter 43; 7% on the value of
22 rental of living quarters in any hotel, rooming house or tourist
or trailer camp; 10% on the value of rental for a period of less
than one year of an automobile; 7% on the value of prepared food;
and 5% 6% on the value of all other tangible personal property
and taxable services. Value is measured by the sale price,
except as otherwise provided.

24 The tax imposed upon the sale and distribution of gas, water
26 or electricity, or telecommunications services, by any public
28 utility, the rates for which sale and distribution are
30 established by the Public Utilities Commission, must be added to
32 the rates so established. No A tax may not be imposed upon the
34 sale or use of electrical energy, or water stored for the purpose
of generating electricity, when the sale is to or by a wholly
owned subsidiary by or to its parent corporation, except for
electrical energy or water purchased for resale to or by such
wholly owned subsidiary.

36 Rental or lease of an automobile for one year or more must
38 be taxed at the time of the lease or rental transaction at 5% 6%
40 of the following: the total monthly lease payment multiplied by
42 the number of payments in the lease or rental, the amount of
equity involved in any trade-in and the value of any cash down
payment. Collection and remittance of the tax is the
responsibility of the person that negotiates the lease
transaction with the lessee.

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2 **Sec. E-2. Legislative intent; use of revenue.** The Legislature
4 intends that any additional revenue raised by increasing the
6 sales tax rate to 6% pursuant to the Maine Revised Statutes,
8 Title 36, section 1811 be used to fulfill commitments for
10 property tax relief enacted by this Act, including the increase
12 in transfers to the Disproportionate Tax Burden Fund, the
Homestead Tax Cap Program and the additional school funding
necessary to implement Essential Programs and Services pursuant
to the schedules found in Title 20-A, section 15671, subsection
7, paragraph B.

14 **Sec. E-3. Legislative intent; rollback of sales tax increase.** The
16 Legislature intends that, if General Fund revenue in any fiscal
18 year exceeds General Fund revenue for the previous year by 8% or
20 more, on a base-to-base comparison excluding one-time revenue
22 gains and losses, the tax on the sale of tangible personal
property and taxable services at a rate of 6% on the effective
date of this Act must be reduced to 5%.

24 **Sec. E-4. Effective date.** This Part takes effect October 1,
2004.

PART F

26 **Sec. F-1. 36 MRSA §5122, sub-§1, ¶V,** as enacted by PL 2003, c.
28 451, Pt. II, §2, is amended to read:

V. For tax years beginning on or after January 1, 2003 and
before January 1, 2006 2004, the amount claimed as a federal
income adjustment for student loan interest under the Code,
Section 62 (a)(17), but only for interest paid after 60
months from the start of the loan repayment period.

34 **Sec. F-2. 36 MRSA §5218, sub-§1,** as amended by PL 2003, c. 20,
36 Pt. FF, §1, is further amended to read:

38 **1. Resident taxpayer.** A resident individual is allowed a
40 credit against the tax otherwise due under this Part in the
42 amount of 25% of the federal tax credit allowable for child and
44 dependent care expenses in the same tax year, except that for tax
years beginning in 2003, ~~2004 and 2005~~, the applicable percentage
is 21.5% instead of 25%.

46 **Sec. F-3. 36 MRSA §5218, sub-§2,** as amended by PL 2003, c.
48 391, §10, is further amended to read:

2. Nonresident or part-year resident taxpayer. A
nonresident individual is allowed a credit against the tax

otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122, except that for tax years beginning in 2003, ~~2004 and 2005~~, the applicable percentage is 21.5% instead of 25%.

Sec. F-4. 36 MRSA §5219-S, as amended by PL 2003, c. 20, Pt. GG, §1, is further amended to read:

§5219-S. Earned income credit

A taxpayer is allowed a credit against the taxes otherwise due under this Part equal to 5% of the federal earned income credit for the same taxable year, except that for tax years beginning in 2003, ~~2004 and 2005~~, the applicable percentage is 4.92% instead of 5%. The credit may not reduce the state income tax to less than zero.

PART G

Sec. G-1. 36 MRSA §4062, sub-§1-A, ¶A-1, is enacted to read:

A-1. For the estates of decedents dying on or after January 1, 2005, "federal credit" means the maximum credit for state death taxes determined under the Code, Section 2011 as of December 31, 2002 exclusive of: the reduction of the maximum credit contained in the Code, Section 2011(b)(2); the period of limitations under the Code, Section 2011(c); and the termination provision contained in the Code, Section 2011(f). The adjusted taxable estate is to be determined using the applicable section of the Code as of the date of the decedent's death, except that the state death tax deduction contained in the Code, Section 2058 is to be disregarded. The unified credit is the applicable credit amount determined under the Code, Section 2010, as of December 31, 2003.

Sec. G-2. 36 MRSA §4063, sub-§2, as amended by PL 2003, c. 20, Pt. JJ, §2, is further amended to read:

2. Values. All property values under subsection 1, paragraphs A and B are as finally determined for federal estate tax purposes, except that for estates of decedents dying after December 31, 2002 ~~and before January 1, 2005~~ that do not incur a federal estate tax, all property values under subsection 1, paragraphs A and B are as finally determined by the assessor in

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HOUSE AMENDMENT "A" to H.P. 1020, L.D. 1394

accordance with the Code as if the estate had incurred a federal estate tax.

Sec. G-3. 36 MRSA §4064, first ¶, as amended by PL 2003, c. 20, Pt. JJ, §3, is further amended to read:

A tax is imposed upon the transfer of real property and tangible personal property situated in this State and held by an individual who dies prior to January 1, 2002 or after December 31, 2002 and who at the time of death was not a resident of this State. When real or tangible personal property has been transferred into a trust, the tax imposed by this section applies as if the trust did not exist and the property was personally owned by the decedent. Maine property is subject to the tax imposed by this section to the extent that such property is included in the decedent's gross estate as finally determined for federal estate tax purposes. The amount of this tax is a sum equal to that proportion of the federal credit that the value of Maine real and tangible personal property taxed in this State that qualifies for the credit bears to the value of the decedent's total federal gross estate. All property values under this section are as finally determined for federal estate tax purposes, except that for estates of decedents dying after December 31, 2002 and before January 1, 2005 that do not incur a federal estate tax, all property values are as finally determined by the assessor in accordance with the Code as if the estate had incurred a federal estate tax. The share of the federal credit used to determine the amount of a nonresident individual's estate tax under this section is computed without regard to whether the specific real or tangible personal property located in the State is marital deduction property.'

SUMMARY

This amendment replaces the bill. The amendment represents a collaborative proposal for tax reform and property tax relief. The proposal contains the following elements.

Part A transforms the Maine Residents Property Tax Program into a true homestead property tax cap program that will provide a benefit to all Maine residents whose property taxes exceed 4% of their income. Income eligibility requirements are eliminated. The effect of these changes is to establish a cap on property taxes exceeding 6% of income for nearly all Maine residents. The maximum rebate is \$3,000.

Part B increases the portion of sales and income tax revenue set aside for state-municipal revenue sharing from 5.1% to 5.4% beginning July 2004.

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HOUSE AMENDMENT "A" to H.P. 1020, L.D. 1394

2 Part C restores the homestead property tax exemption to the
original \$7,000 for all homesteads.

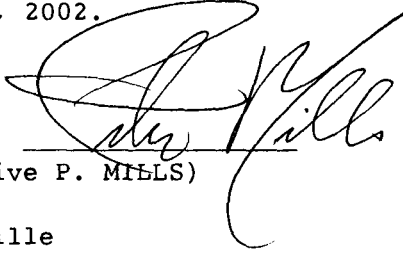
4
6 Part D appropriates an additional \$27 million for general
purpose aid for local schools in fiscal year 2004-05 and
8 increases the state share of the cost of public kindergarten to
grade 12 public education funding to 55% of the cost of essential
10 programs and services by fiscal year 2009-10.

12 Part E increases the sales tax to 6% beginning October 1,
2004. Revenue projections indicate that raising the sales tax
14 rate to 6% will raise an additional \$144,000,000 in fiscal year
2005-06 and \$151,000,000 in fiscal year 2006-07. This Part also
16 expresses legislative intent that the additional revenue be used
to fund Revenue Sharing II, the homestead tax cap program and the
18 additional education funding envisioned in this Act and that the
sales tax should be rolled back to 5% if General Fund revenue
20 increases by more than 8% in a future year.

22 Part F restores conformity with the federal Internal Revenue
Code with regard to the deduction for certain student loan
24 interest, the child and dependent care credit and the earned
income tax credit.

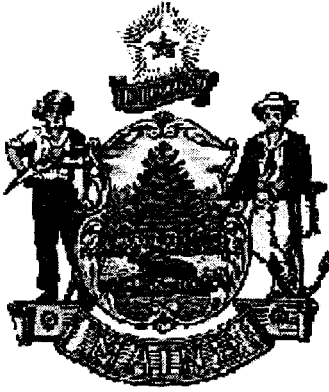
26 Part G amends the estate tax to conform to recent increases
in the threshold for application of the tax while maintaining the
28 federal calculation of the state share of the tax that existed as
of December 31, 2002.

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SPONSORED BY: 
(Representative P. MILLS)

TOWN: Cornville

FISCAL NOTE REQUIRED
(See attached)



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1394

An Act to Modernize the State's Tax System

LR 1697(04)

Fiscal Note for House Amendment " "

Sponsor: Rep. Mills

Fiscal Note Required: Yes

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	(\$12,287,145)	(\$47,645,213)	(\$52,490,467)
Appropriations/Allocations				
General Fund	\$0	\$73,547,034	\$103,797,692	\$106,725,307
Revenue				
General Fund	\$0	\$85,834,179	\$151,442,905	\$159,215,772
Other Special Revenue Funds	\$0	\$11,963,926	\$12,447,448	\$13,075,068

Fiscal Detail and Notes

This estimate describes the total impact of the bill as amended by this amendment and not just the incremental change.

This bill includes General Fund appropriations totalling \$46,689,003 to expand the Maine Resident's Property Tax program to create the Homestead Tax Cap Program and to restore the Homestead Exemption to \$7,000. It also increases the sales tax by 1 cent effective October 1, 2004 which will increase General Fund Revenue by \$93,170,660 in fiscal year 2004-05.

Increasing the amount transferred for state-municipal revenue sharing will decrease General Fund revenue by \$6,682,828 in fiscal year 2004-05. The total increase to the Other Special Revenue funds Disproportionate Tax Burden Fund as a result of changes contained in this bill is estimated to be \$11,963,926 in fiscal year 2004-05.

This bill also makes changes to income and estate tax provisions to conform with certain provisions of the federal Internal Revenue Code. The revenue impact of these and other changes is detailed in the table below.

General Fund Detail	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Revenue				
Sales tax to 6%	\$0	\$93,170,660	\$136,945,798	\$143,453,332
Change in state-municipal revenue sharing	\$0	(\$6,682,828)	(\$4,649,868)	(\$4,868,040)
Estate Tax conformity	\$0	\$0	\$19,490,728	\$20,308,840
Student loan interest deduction conformity	\$0	(\$296,443)	(\$202,799)	\$0
Dependent care credit conformity	\$0	(\$587,088)	(\$404,888)	\$0
Earned income tax credit conformity	\$0	(\$21,758)	(\$19,866)	\$0
Individual income tax - property tax reimb.	\$0	\$251,636	\$283,800	\$321,640
	\$0	\$85,834,179	\$151,442,905	\$159,215,772
Appropriations				
Restore homestead exemption to \$7,000	\$0	\$5,131,486	\$5,259,475	\$5,264,520
Homestead Property Tax Cap Program	\$0	\$41,370,326	\$43,063,771	\$47,088,940
General Purpose Aid to Local Schools	\$0	\$26,858,031	\$55,339,199	\$54,232,466
Administrative and Mandate costs	\$0	\$187,191	\$135,247	\$139,381
	\$0	\$73,547,034	\$103,797,692	\$106,725,307

State Mandate

New or Expanded Activity	Unit Affected	Costs
Administrative activities associated with the change in the homestead exemption. The bill reimburses municipalities for this mandate.	Municipality	\$33,500

This bill also includes the Essential Programs and Services model, as approved by the Legislature in Public Law 2003, c. 504, as the basis for determining the total cost of K-12 public education. However, this bill differs from PL 2003, c. 504 in that it requires the State's share to increase to 55% by fiscal year 2009-10 versus the 50% requirement in PL 2003, c. 504.

The following table provides estimates for the total State and Local Operating Cost of funding education based on the Essential Programs and Services model and provides a comparison of the General Fund appropriations that are estimated to be needed to fund the state's share of the cost of funding K-12 education based on the State's contribution reaching 50% in fiscal year 2009-10, as approved in Public Law 2003, c. 504, versus the 55% State contribution proposed in this legislation.

**State and Local Cost to Fund K-12 Public Education
Utilizing the Essential Programs and Services Model
Comparison of 50% State Contribution vs. 55% by FY 2009-10**

	Base Year <u>2003-04*</u>	<u>2004-05*</u>	Projections <u>2005-06</u>	Projections <u>2006-07</u>
Total State & Local Operating Cost allocation based on EPS model (100%)	1,256,951,694	1,260,260,954	1,270,125,664	1,285,714,652
EPS Transition Percentage	80.82%	82.00%	84.00%	88.00%

Adjusted Total Operating Allocation based on EPS model	1,015,819,375	1,033,413,982	1,066,905,558	1,131,428,894
Total State & Local cost based on EPS funding model (includes program costs, debt service and adjustments)	1,467,408,432	1,518,173,106	1,537,199,970	1,618,879
State Share Targets to fund K-12 education based on EPS model approved in P.L. 2003, c. 504	49.89%	47.81%	49.00%	49.25%
State Share Targets to fund K-12 education based on EPS model in LD 1394, as amended	49.89%	47.81%	52.60%	52.60%
Estimated General Fund appropriation needed to fund K-12 education based on EPS model approved in P.L. 2003, c. 504 (See Note)		738,959,910	753,227,985	797,298,197
Estimated General Fund appropriation needed to fund K-12 education based on LD 1394, as amended		765,817,941	808,567,184	851,530,664
Additional General Fund Appropriation required to fund EPS model in LD 1394, as amended vs. P.L. 2003, c. 504		26,858,031	55,339,199	54,232,

Note: The Governor's proposed 2nd supplemental budget (LD 1919) includes \$13,549,334 additional appropriation in FY 2004-05 for General Purpose Aid for Local Schools.

This fiscal estimate is based on current law. LD 1919, the Governor's proposed 2nd supplemental budget, includes changes to the estate tax (Part D) and transfers certain items from the sales tax to the service provider tax (Part V). If LD 1919 passes without amendment, the revenue increase in this bill will be reduced as indicated below.

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Revenue in this bill without LD 1919	0	85,834,179	151,442,905	159,215,772
Revenue in this bill with LD 1919	0	78,889,215	111,209,564	113,949,964
Revenue reduction if LD 1919 is enacted	0	6,944,964	40,233,341	45,265,808