

# MAINE STATE LEGISLATURE

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Minority

R.O.S.

L.D. 1633

DATE: 6-13-03

(Filing No. S-285)

TAXATION

Reported by: Minority

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 589, L.D. 1633, Bill, "An Act Regarding Conformity with the Federal Jobs and Growth Tax Relief Reconciliation Act of 2003"

Amend the bill by striking out all of sections 2 to 7.

Further amend the bill by inserting after section 7 the following:

Sec. 8. Calculation and transfer; fiscal year 2003-04 flexible grant funds. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, or any other provision of law, the State Budget Officer shall calculate the amounts in that section of this Act that makes appropriations and allocations that apply against each General Fund and Federal Block Grant Fund account and that represent fiscal year 2003-04 General Fund expenditures certified by the Governor as eligible for expenditure from the funds received from the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27. The State Budget Officer shall transfer those amounts by financial order upon approval of the Governor. These transfers are considered adjustments to General Fund appropriations and Federal Block Grant Fund allocations.'

Further amend the bill by inserting after section 8 the following:

Sec. 9. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF

COMMITTEE AMENDMENT

R.O.S.

COMMITTEE AMENDMENT "B" to S.P. 589, L.D. 1633

2 **Departments and Agencies Statewide - 0016**

4 Initiative: Adjusts appropriations and allocations to reflect a  
6 shift of expenditures from the General Fund to the Federal Block  
8 Grant Fund as a result of the receipt of flexible federal grants  
pursuant to the federal Jobs and Growth Tax Relief Reconciliation  
Act of 2003.

10	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	All Other	(\$50,000,000)	\$0
12			
	General Fund Total	(\$50,000,000)	\$0
14			
	<b>Federal Block Grant Fund</b>	<b>2003-04</b>	<b>2004-05</b>
16	All Other	\$50,000,000	\$0
18			
	Federal Block Grant Fund Total	\$50,000,000	\$0'

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

24

26 **SUMMARY**

28 This amendment is the minority report of the Joint Standing  
30 Committee on Taxation. It removes provisions of the bill that  
require taxpayers to make adjustments to increase their income to  
32 avoid a loss of state revenue resulting from full conformity with  
the federal Internal Revenue Code and provides partial funding  
for full conformity from flexible funds available to the State  
34 under the federal Jobs and Growth Tax Relief Reconciliation Act  
of 2003, Public Law 108-27.

36

38 **FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**

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

**LD 1633**

**An Act Regarding Conformity with the Federal Jobs and Growth Tax  
Relief Reconciliation Act of 2003**

LR 2170(04)

**Fiscal Note for Bill as Amended by Committee Amendment "B"**

**Committee: Taxation**

**Fiscal Note Required: Yes**

**Minority**

**Fiscal Note**

	<b>2003-04</b>	<b>2004-05</b>	<b>Projections 2005-06</b>	<b>Projections 2006-07</b>
<b>Net Cost (Savings)</b>				
General Fund	\$4,173,313	\$29,725,923	\$1,060,408	(\$11,122,010)
<b>Appropriations/Allocations</b>				
General Fund	(\$50,000,000)	\$0	\$0	\$0
Federal Block Grant Funds	\$50,000,000	\$0	\$0	\$0
<b>Revenue</b>				
General Fund - Income Tax	(\$54,173,313)	(\$29,725,923)	(\$1,060,408)	\$11,122,010
Other Special Revenue - Income Tax	(\$2,911,316)	(\$1,597,494)	(\$58,166)	\$610,068

**Fiscal Detail and Notes**

This bill requires the state to conform to recent federal income tax law changes contained in the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27. It utilizes \$50,000,000 of federal relief funds to partially offset the General Fund Revenue loss. The same \$50,000,000 is contained in Committee Amendment "A" to LD 1614, the governor's supplemental budget.