

MAINE STATE LEGISLATURE

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DATE: 4-5-06

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to S.P. 678, L.D. 1761, Bill, "An Act To Offer Financial Institutions an Option for Payment of the Maine Franchise Tax"

Amend the bill in section 1 in §5206 in the 2nd indented paragraph in the first line (page 1, line 33 in L.D.) by striking out the following: "Each" and inserting in its place the following: 'Subject to the limitations established in this section, each'

Further amend the bill in section 1 in §5206 by inserting after the 2nd indented paragraph a new indented paragraph to read:

'A financial institution that elects to calculate and pay tax under this section using the method established in subsection 2 must demonstrate to the Bureau of Revenue Services that, in the year following its election under subsection 2, every employee of that financial institution earns a wage that is no less than 50% greater than the livable wage, as determined by the Department of Labor by rule. A financial institution that is unable to meet this requirement is prohibited in subsequent years from electing to calculate and pay its tax under this section using the method established in subsection 2. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

Further amend the bill by inserting after section 5 the following:

'Sec. 6. Appropriations and allocations. The following appropriations and allocations are made.

HOUSE AMENDMENT

LABOR, DEPARTMENT OF

Employment Security Services NEW

Initiative: Provides funds to the Division of Labor Market Information Services to annually calculate the livable wage for various household sizes. Of the \$8,000 appropriation in fiscal year 2006-07, \$3,000 is for the one-time costs associated with programming and other set-up expenses. The ongoing appropriation of \$5,000 per year is for the costs associated with annual data collection and analysis.

GENERAL FUND	2005-06	2006-07
All Other	\$0	\$8,000
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$8,000</u>

SUMMARY

This amendment requires that any financial institution that elects to be taxed under the Maine Revised Statutes, Title 36, section 5206, subsection 2 demonstrate to the Bureau of Revenue Services that, in the year following its election to be taxed under the alternative tax, every employee of that financial institution earns a wage that is no less than 50% greater than the livable wage, as determined by the Department of Labor. It also adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)

SPONSORED BY: Deborah J. Hutton
(Representative HUTTON)

TOWN: Bowdoinham



122nd MAINE LEGISLATURE

LD 1761

LR 2956(05)

An Act To Offer Financial Institutions an Option for Payment of the Maine Franchise Tax

Fiscal Note for House Amendment *A*"

Sponsor: Rep. Hutton

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	\$8,000	\$5,000	\$5,000
Appropriations/Allocations				
General Fund	\$0	\$8,000	\$5,000	\$5,000

Fiscal Detail and Notes

This amendment will increase the General Fund cost of the bill by \$8,000 in fiscal year 2006-07. As amended, this bill includes a General Fund appropriation of \$8,000 in fiscal year 2006-07 for the Employment Security Services program within the Department of Labor for the costs associated with annually calculating the liveable wage for various household sizes. Of this amount, \$3,000 is for the one-time costs for programming and other set up expenses. The Employment Security Services program will require General Fund appropriations of \$5,000 per year beginning in fiscal year 2006-07 for the ongoing costs associated with annual data collection and analysis.