

MAINE STATE LEGISLATURE

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Legislative Document

No. 395

H.P. 311

House of Representatives, January 29, 2007

An Act To Use National Standards To Determine Maine's Relative Tax Burden for Purposes of Budget Caps

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative HOLMAN of Fayette.
Cosponsored by Senator NASS of York and
Representatives: FLOOD of Winthrop, MILLETT of Waterford, ROBINSON of Raymond,
TARDY of Newport, Senator: MILLS of Somerset.

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

2 **Sec. 1. 5 MRSA §1664, sub-§1, ¶F**, as enacted by PL 2005, c. 601, §1, is
3 amended to read:

4 F. Include statements of the bonded indebtedness of the State Government showing
5 the debt redemption requirements, the debt authorized and unissued and the condition
6 of the sinking funds; ~~and~~

7 **Sec. 2. 5 MRSA §1664, sub-§1, ¶G**, as enacted by PL 2005, c. 601, §1, is
8 amended to read:

9 G. Contain any statements relative to the financial plan that the Governor-elect or
10 the Governor considers desirable or that may be required by the Legislature; and

11 **Sec. 3. 5 MRSA §1664, sub-§1, ¶H** is enacted to read:

12 H. Include an assessment of where the State stands as it relates to the ranking goal
13 established in Title 36, section 7301.

14 **Sec. 4. 36 MRSA §7301, first ¶**, as enacted by PL 2005, c. 2, Pt. H, §2, is
15 amended to read:

16 It is the goal and policy of the State that by 2015 the State's total state and local tax
17 burden be ranked ~~in the middle 1/3~~ at or below the median of all states, as determined by
18 the United States Census Bureau's most recent tax burden analysis, ~~adjusted by the~~
19 ~~assessor to reflect the State's unique expenditure tax relief programs.~~ For the purposes of
20 Title 5, section 1534, subsection 2; Title 30-A, section 706-A, subsection 3 and Title 30-
21 A, section 5721-A, subsection 3; and this section, the assessor shall calculate the State's
22 state and local tax burden relative to other states using the data that represents the State's
23 most recent total state and local tax collections divided by the State's total personal
24 income.

25 **SUMMARY**

26 This bill changes the States's tax burden goal for 2015 to be at or below the median
27 for all states and requires that the calculation of the State's state and local tax burden
28 relative to other states for purposes of state and local spending limitations be based solely
29 on data from the United States Census Bureau without adjustments by the State Tax
30 Assessor for the State's unique expenditure tax relief programs. The bill also requires the
31 Governor to include in the biennial budget document an assessment of where the State
32 stands in meeting the tax burden goal.