

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)

FILE

Date: 6-20-07

(Filing No. H-625)

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to S.P. 648,
L.D. 1819, "RESOLUTION, Proposing an Amendment to the Constitution of Maine To
Restrict Tax Increases "

Amend the amendment by striking out everything after the first indented paragraph
after the title and inserting the following:

**'RESOLUTION, Proposing an Amendment to the Constitution of Maine To
Eliminate the Income Tax'**

Amend the resolution by striking out all of Parts A, B and C and inserting the
following:

'Constitution, Art. IX, §§24 and 25 are enacted to read:

Section 24. Income tax rate reduction. Taxes on personal income in this State may
not exceed the following.

1. Maximum rates. Maximum income tax rates on individuals may not exceed the
following amounts.

A. For income tax years beginning in 2008, the maximum rate of tax is 6%.

B. For income tax years beginning in 2009, the maximum rate of tax is 5%.

C. For income tax years beginning in 2010, the maximum rate of tax is 4%.

D. For income tax years beginning in 2011, the maximum rate of tax is 3%.

E. For income tax years beginning in 2012, the maximum rate of tax is 2%.

F. For income tax years beginning in 2013, the maximum rate of tax is 1%.

G. For income tax years beginning in 2014, the maximum rate of tax is 0%.

2. Exemption amount. In addition to any other exemptions and deductions
permitted by law, individuals filing married joint income tax returns are entitled to the
following exemptions. Persons filing as single taxpayers are entitled to exemptions equal
to 50% of the following amounts. Persons filing as heads of household are entitled to
exemptions equal to 75% of the following amounts.

A. For income tax years beginning in 2008, the exemption amount is \$8,000.

HOUSE AMENDMENT

R. of S.

- 1 B. For income tax years beginning in 2009, the exemption amount is \$10,000.
- 2 C. For income tax years beginning in 2010, the exemption amount is \$12,000.
- 3 D. For income tax years beginning in 2011, the exemption amount is \$16,000.

4 **3. Implementation.** The Legislature shall enact legislation to implement this
5 section.

6 **Section 25. Sales tax rebate.** A Maine resident is entitled to a rebate of \$100 per
7 year in 2008 and 2009 for sales tax paid by that resident in those years.

8 ; and be it further

9 **Constitutional referendum procedure; form of question; effective date.**

10 **Resolved:** That the municipal officers of this State shall notify the inhabitants of their
11 respective cities, towns and plantations to meet, in the manner prescribed by law for
12 holding a statewide election, at a statewide election on the Tuesday following the first
13 Monday of November following the passage of this resolution, to vote upon the
14 ratification of the amendment proposed in this resolution by voting upon the following
15 question:

16 "Do you favor amending the Constitution of Maine to lower and eliminate the Maine
17 individual income tax over a 7-year period and provide a sales tax rebate in 2008 and
18 2009?"

19 The legal voters of each city, town and plantation shall vote by ballot on this question
20 and designate their choice by a cross or check mark placed within the corresponding
21 square below the word "Yes" or "No." The ballots must be received, sorted, counted and
22 declared in open ward, town and plantation meetings and returns made to the Secretary of
23 State in the same manner as votes for members of the Legislature. The Governor shall
24 review the returns and, if it appears that a majority of the legal votes are cast in favor of
25 the amendment, the Governor shall proclaim that fact without delay and the amendment
26 becomes part of the Constitution of Maine on the date of the proclamation; and be it
27 further

28 **Secretary of State shall prepare ballots. Resolved:**

29 That the Secretary of State shall prepare and furnish to each city, town and plantation
30 all ballots, returns and copies of this resolution necessary to carry out the purposes of this
31 referendum.' '

32 **SUMMARY**

33 This constitutional resolution establishes a timetable for phasing in an elimination of
34 the Maine individual income tax over a period of 7 years. It also phases in an income tax
35 exemption of up to \$16,000. It provides a sales tax rebate of \$100 per person per year for
36 sales taxes paid by Maine residents in 2008 and 2009.

37 **SPONSORED BY:** 

38 (Representative VAUGHAN)

39 **TOWN: Durham**