

# MAINE STATE LEGISLATURE

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MINORITY

L.D. 1288

Date: 6-1-09

(Filing No. S-279)

TAXATION

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 469, L.D. 1288, Bill, "An Act To Reduce Income Tax Rates"

Amend the bill in section 2 in subsection 1-C in the 2nd line from the end (page 1, line 27 in L.D.) by striking out the following: "\$218" and inserting the following: '\$219' and in the last line (page 1, line 29 in L.D.) by striking out the following: "\$803" and inserting the following: '\$804'

Amend the bill in section 10 in subsection 3-C in the 3rd line from the end (page 4, line 24 in L.D.) by striking out the following: "\$437" and inserting the following: '\$438' and in the 2nd line from the end (page 4, line 26 in L.D.) by striking out the following: "\$1,604" and inserting the following: '\$1,605'

Amend the bill in section 12 in subsection 3-E in the 2nd line from the end (page 5, line 11 in L.D.) by striking out the following: "\$48" and inserting the following: '\$49' and in the last line (page 5, line 13 in L.D.) by striking out the following: "\$632" and inserting the following: '\$633'

Amend the bill in section 13 in subsection 1 in the 2nd line (page 5, line 17 in L.D.) by striking out the following: "ending" and inserting the following: 'beginning'

Amend the bill by inserting after section 22 the following:

'Sec. 23. 36 MRSA §5402, sub-§1-B, as enacted by PL 1999, c. 731, Pt. T, §8 and affected by §11, is amended to read:

1-B. Cost-of-living adjustment. The "cost-of-living adjustment" for any calendar year is the Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Consumer Price Index for the 12-month period ending June 30, 2001-2008.'

Amend the bill in section 23 in §5403 in the indented paragraph in the first line (page 9, line 6 in L.D.) by striking out the following: "2002" and inserting the following: '2002-2009' and in the 4th line (page 9, line 9 in L.D.) by striking out the following: "1-B, 2-B

COMMITTEE AMENDMENT

R. G. S.

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and ~~3-B~~ to 3-E" and inserting the following: '~~1-B, 2-B and 3-B~~ 1-D, 1-E, 2-D, 2-E, 3-D  
and 3-E'

Amend the bill by inserting after section 24 the following:

**'Sec. 25. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF  
Revenue Services - Bureau of 0002**

Initiative: Provides funding for reprinting and redistributing the state withholding tables to reflect the reduced income tax rates.

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<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
All Other	\$36,668	\$0
<b>GENERAL FUND TOTAL</b>	\$36,668	\$0

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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**SUMMARY**

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This amendment makes technical changes to correct rounding errors and update income tax indexing language to reference the changes in income tax rates. It also adds an appropriations and allocations section to the bill.

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**FISCAL NOTE REQUIRED**

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(See attached)



# 124th MAINE LEGISLATURE

LD 1288

LR 111(02)

## An Act To Reduce Income Tax Rates

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
<b>Net Cost (Savings)</b>				
General Fund	\$457,507,268	\$656,702,700	\$856,390,922	\$896,317,606
<b>Appropriations/Allocations</b>				
General Fund	\$36,668	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	(\$457,470,600)	(\$656,702,700)	(\$856,390,922)	(\$896,317,606)
Other Special Revenue Funds	(\$24,077,400)	(\$34,563,300)	(\$45,073,207)	(\$47,174,611)

### Fiscal Detail and Notes

This bill reduces income taxes imposed on individuals and corporations over a three year period, beginning in tax year 2009. The State alternative minimum tax is also eliminated. The loss to the General Fund will be \$457,470,600 in FY 2009-10 and \$656,702,700 in FY2010-11. The loss to the Local Government Fund is \$24,077,400 in FY 2009-10 and \$34,563,300 in FY 2010-11. An appropriation of \$36,668 is provided to reprint and redistribute the Maine State Revenue withholding tables to reflect the change in the income tax rates.