

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 1051, L.D. 1495, Bill, "An Act To Implement Tax Relief and Tax Reform"

Amend the bill by inserting after Part D the following:

'PART E

Sec. E-1. Statutory referendum procedure; submission at election; form of question; effective date. This Act must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor approving tax reform legislation enacted by the 124th Legislature that, among other tax reforms, restructures the current income tax structure by establishing a flat rate of 6.5% on taxable income with an additional .35% surcharge on income exceeding \$250,000; broadens the sales tax base by including certain services, including certain amusement, entertainment and recreation services; installation, repair and maintenance services; personal property services; transportation and courier services; and long distance telephone service; increases the sales tax on prepared food and lodging and the sales tax on rentals of automobiles of less than one year; and excludes certain types of income to simplify the calculation of income under the Circuitbreaker Program?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days after the date of the proclamation.



124th MAINE LEGISLATURE

LD 1495

LR 2026(03)

An Act To Implement Tax Relief and Tax Reform

Fiscal Note for House Amendment "A"

Sponsor: Rep. Tardy of Newport

Fiscal Note Required: Yes

Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	\$7,395,539	(\$7,342,141)	(\$7,260,226)	\$3,739,729
Appropriations/Allocations				
General Fund	(\$523,073)	(\$1,511,091)	(\$967,304)	(\$1,015,664)
Other Special Revenue Funds	\$0	(\$2,861,638)	(\$4,313,954)	(\$4,347,668)
Revenue				
General Fund	(\$7,918,612)	\$5,831,050	\$6,292,922	(\$4,755,393)
Other Special Revenue Funds	(\$408,348)	(\$2,751,668)	(\$4,207,255)	(\$4,831,512)

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-09	General	Referendum	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

Fiscal Detail and Notes

This amendment makes this bill and the revenue effects, appropriations and allocations contingent upon approval by the voters at a November referendum. If approved by the voters in November, the bill would have the following impact with the first year's sales tax revenue collected on short-term auto rentals slightly reduced due to a delay beyond the original start date of October 1, 2009.

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Summary of Revenue:				
<u>Income Tax</u>				
General Fund	(\$32,754,888)	(\$84,496,413)	(\$87,556,532)	(\$80,599,763)
Local Government Fund	(\$1,728,152)	(\$4,442,970)	(\$4,610,871)	(\$4,239,462)
<u>Sales and Use Tax</u>				
General Fund	\$40,422,700	\$79,475,363	\$81,263,610	\$85,355,156
Local Government Fund	\$2,123,300	\$4,333,000	\$4,504,082	\$4,723,306
Tourism Fund	\$0	\$2,861,638	\$4,313,954	\$4,347,668
<u>Tax and Rent Relief</u>				
General Fund	\$0	(\$810,000)	\$0	\$0
Total General Fund Revenue	\$7,667,812	(\$5,831,050)	(\$6,292,922)	\$4,755,393

General Fund Appropriations:

Maine Revenue Services Administrative Cost	\$523,073	\$1,511,091	\$967,304	\$1,015,664
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