

MAINE STATE LEGISLATURE

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L.D. 695

Date: 5/3/11

(Filing No. H-164)

Minority

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 524, L.D. 695, Bill, "An Act To Reduce Taxes and Promote Employment"

Amend the bill in section 1 in §5219-S in subsection 1 in the first line (page 1, line 5 in L.D.) by striking out the following: "refundable"

Amend the bill in section 1 in §5219-S in subsection 2 in the first line (page 1, line 9 in L.D.) by striking out the following: "refundable"

Amend the bill in section 1 in §5219-S in subsection 3 in the 2nd line (page 1, line 16 in L.D.) by striking out the following: "refundable"

Amend the bill in section 1 in §5219-S by striking out all of subsection 4 (page 1, lines 26 and 27 in L.D.) and inserting the following:

~~'4. Limitation. The credit allowed by this section may not reduce the Maine income tax to less than zero.~~

5. Refundability. The credit allowed by this section is refundable up to 50% of the amount of the credit calculated under subsections 1 to 3 that remains unused after the credit has reduced the Maine income tax to zero.'

Amend the bill by adding after section 2 the following:

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

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

Initiative: Appropriates funds for 2 Tax Examiner positions effective January 1, 2012.

R.O.F.S.

COMMITTEE AMENDMENT "A" to H.P. 524, L.D. 695

1	GENERAL FUND	2011-12	2012-13
2	POSITIONS - LEGISLATIVE COUNT	2.000	2.000
3	Personal Services	\$59,449	\$126,634
4			
5	GENERAL FUND TOTAL	<u>\$59,449</u>	<u>\$126,634</u>

6 **Revenue Services - Bureau of 0002**

7 Initiative: Appropriates funds for computer programming changes, updating check stub
8 messages and notices, new reports, federal tape changes, testing and printing and mailing
9 costs.

10	GENERAL FUND	2011-12	2012-13
11	All Other	\$60,522	\$17,467
12			
13	GENERAL FUND TOTAL	<u>\$60,522</u>	<u>\$17,467</u>

14	ADMINISTRATIVE AND FINANCIAL		
15	SERVICES, DEPARTMENT OF		
16	DEPARTMENT TOTALS	2011-12	2012-13
17			
18	GENERAL FUND	\$119,971	\$144,101
19			
20	DEPARTMENT TOTAL - ALL FUNDS	<u>\$119,971</u>	<u>\$144,101</u>
21			

22 **SUMMARY**

23 This amendment is the minority report of the committee. This amendment limits the
24 amount of refundability of the earned income tax credit to 50%. This amendment adds an
25 appropriations and allocations section.

26 **FISCAL NOTE REQUIRED**

27 (See attached)



125th MAINE LEGISLATURE

LD 695

LR 1475(02)

An Act To Reduce Taxes and Promote Employment

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

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$8,053,421	\$7,869,501	\$6,269,226	\$6,052,151
Appropriations/Allocations				
General Fund	\$119,971	\$144,101	\$144,101	\$144,101
Revenue				
General Fund	(\$7,933,450)	(\$7,725,400)	(\$6,125,125)	(\$5,908,050)
Other Special Revenue Funds	(\$417,550)	(\$406,600)	(\$322,375)	(\$310,950)

Fiscal Detail and Notes

Increasing the state earned income tax credit from 5% to 10% of the federal earned income tax credit and making the state earned income tax credit 50% refundable will result in reduced revenue to the General Fund and will reduce revenue sharing starting in fiscal year 2011-12. Maine Revenue Services will require General Fund appropriations for two Tax Examiner positions and related administrative support.