

MAINE STATE LEGISLATURE

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Date: 6-14-11

Report C

(Filing No. S- 309)

TAXATION

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STATE OF MAINE
SENATE
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 252, L.D. 849, Bill, "An Act To Provide Tax Relief for Maine's Citizens by Reducing Income Taxes"

Amend the bill by striking out the title and substituting the following:

'An Act To Provide an Advisory Referendum on Tax Relief for Maine's Citizens'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. Special advisory referendum on tax relief. The Secretary of State shall, at a statewide election in the month of November following the passage of this Act, hold a special advisory referendum to determine the sentiment of the people on changing Maine's individual income tax to a 4% flat rate, with a standard deduction that phases out at higher incomes, while making up for 4/5 of lost revenues through consumption tax increases to be determined by a blue ribbon commission.

Sec. 2. Advisory referendum procedure; submission at statewide election. This advisory referendum 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 give their opinion by voting on the following question:

"Do you favor changing Maine's individual income tax to a 4% flat rate, with a standard deduction that phases out at higher incomes, while making up for 4/5 of lost revenues through consumption tax increases to be determined by a blue ribbon commission?"

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 and shall proclaim, without delay, the total number of ballots in favor

COMMITTEE AMENDMENT

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of and opposed to changing Maine's individual income tax to a 4% flat rate, with a standard deduction that phases out at higher incomes, making up for 4/5 of lost revenues through consumption tax increases to be determined by a blue ribbon commission.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purpose of this advisory referendum.'

SUMMARY

The amendment, which is a minority report, replaces the bill and provides a new title. It provides for a special advisory referendum that asks voters whether they favor a 4% individual income tax flat rate, with a standard deduction that phases out at higher incomes, while making up for 4/5 of lost revenues through consumption tax increases to be determined by a blue ribbon commission.

FISCAL NOTE REQUIRED

(See attached)



125th MAINE LEGISLATURE

LD 849

LR 149(03)

An Act To Provide Tax Relief for Maine's Citizens by Reducing Income Taxes

Fiscal Note for Bill as Amended by Committee Amendment "B" S-309

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - General Fund

Referendum Costs

Month/Year	Election Type	Question	Length
Nov-11	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

Any additional costs to Maine Revenue Services associated with participation in the Blue Ribbon Commission on taxation reform that would be formed if the voters approve the referendum established by this bill can be absorbed within existing budgeted resources.