

# MAINE STATE LEGISLATURE

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Date: 1/25/12

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TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1127, L.D. 1535, Bill, "An Act Relating to Fiscal Notes on Proposed Legislation"

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

**'Resolve, Directing the Department of Administrative and Financial Services, Bureau of Revenue Services To Develop a Pilot Project for a Tax Simulation Model for State Dynamic Fiscal Analysis'**

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

**'Sec. 1. Undertake pilot project to develop and evaluate a tax simulation model for state dynamic fiscal analysis. Resolved:** That the Department of Administrative and Financial Services, Bureau of Revenue Services, referred to in this resolve as "the bureau," shall undertake a pilot project to develop and evaluate a tax simulation model for state dynamic fiscal analysis, which is analysis to estimate the effect a change in the tax laws would have on state revenue as well as the fiscal impact of the changes in taxpayer behavior and overall economic activity that may occur due to the tax law change. The bureau may enter into a memorandum of understanding with the University of Maine to develop and evaluate the pilot project model for state dynamic fiscal analysis. The bureau may disclose information otherwise protected under the Maine Revised Statutes, Title 36, section 191 to specific University of Maine staff members and students identified in the memorandum of understanding for the purpose of developing and evaluating the pilot project model for state dynamic fiscal analysis; and be it further

**Sec. 2. Recommendations and report. Resolved:** That, no later than November 15, 2012, the bureau and the Office of Fiscal and Program Review shall each evaluate the completed pilot project model and submit a joint report that includes the findings of the evaluation and provides recommendations to the Joint Standing Committee on Taxation. The report must include justification for the recommendations of continued use or development of the pilot project model, or of acquisition of other existing models for state dynamic fiscal analysis, and the estimated costs, timeline for implementation and description of the functional capabilities of any such model and of its

**COMMITTEE AMENDMENT**

1 development or acquisition. The report may include suggested legislation to implement  
2 the recommendations.'

3 **SUMMARY**

4 This amendment changes the bill to a resolve and changes the title. It requires the  
5 Department of Administrative and Financial Services, Bureau of Revenue Services to  
6 undertake a pilot project to develop and evaluate a tax simulation model for state dynamic  
7 fiscal analysis. It allows the bureau to enter into a memorandum of understanding with  
8 the University of Maine for the development and evaluation of the pilot project model  
9 and it provides an exemption from certain confidentiality requirements related to taxpayer  
10 information in order to complete this work. It requires the bureau and the Office of Fiscal  
11 and Program Review to submit a joint report with findings and recommendations to the  
12 Joint Standing Committee on Taxation by November 15, 2012.

**FISCAL NOTE REQUIRED**  
**(See attached)**



Approved: 01/20/12 *MAC*

# 125th MAINE LEGISLATURE

LD 1535

LR 1523(02)

An Act Relating to Fiscal Notes on Proposed Legislation

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

Committee: Taxation

Fiscal Note Required: Yes

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## Fiscal Note

Minor cost increase - General Fund

### Fiscal Detail and Notes

The University of Maine System and Maine Revenue Services will incur some minor additional costs to develop and evaluate a pilot model for state dynamic fiscal analysis. These costs can be absorbed within these agencies' available resources. This assumes that the university will participate without any consulting fee.

The additional costs associated with preparing and submitting a joint report from Maine Revenue Services and the Legislature's Office of Fiscal and Program Review to the joint standing committee having jurisdiction over taxation matters can be absorbed within the existing budgeted resources of the Legislature and Maine Revenue Services.