

# MAINE STATE LEGISLATURE

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L.D. 503

Date: 5/29/15

(Filing No. H-231)

Minority  
TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
127TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 342, L.D. 503, Bill, "An Act To Provide Local Sales Tax Increment Disbursements"

Amend the bill in section 1 in §5686 in subsection 2 in the 2nd line (page 1, line 14 in L.D.) by inserting after the following: "30th" the following: 'following the close of the fiscal year'

Amend the bill in section 1 in §5686 in subsection 2 in the 3rd line (page 1, line 15 in L.D.) by inserting after the following: "amounts" the following: 'for the previous fiscal year'

Amend the bill in section 1 in §5686 in subsection 3 in the 2nd line (page 1, line 19 in L.D.) by striking out the following: "1st" and inserting the following: '31st'

Amend the bill in section 1 in §5686 in subsection 3 by striking out all of the last sentence (page 1, lines 28 to 31 in L.D.)

SUMMARY

This amendment removes the requirement in the bill that a municipality use local sales tax increment revenue to reduce the property tax levy and clarifies the timing of the calculation of the sales tax increment.

FISCAL NOTE REQUIRED  
(See attached)

COMMITTEE AMENDMENT



# 127th MAINE LEGISLATURE

LD 503

LR 182(02)

## An Act To Provide Local Sales Tax Increment Disbursements

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-231)

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$0	\$2,183,020
<b>Revenue</b>				
General Fund	\$0	\$0	\$0	(\$2,183,020)
Other Special Revenue Funds	\$0	\$0	\$0	(\$114,896)

#### Fiscal Detail and Notes

The bill creates a local sales tax increment to be paid annually to each municipality equal to 5% of the amount that sales tax collections in each municipality exceed the collections of the base fiscal year of 2016-17. The base year would change every 4 years. Any year collections are below those of the base year no payments would be made. The first payments would be in fiscal year 2018-19 and would reduce General Fund revenue by \$2,183,020 and reduce Local Government Fund revenue by \$114,896.