

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

smg

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34

L.D. 1564

Date: 2-9-16

(Filing No. H-516 )

Reproduced and distributed under the direction of the Clerk of the House.

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

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "B" to S.P. 616,  
L.D. 1564, Bill, "An Act To Update References to the United States Internal Revenue  
Code of 1986 Contained in the Maine Revised Statutes"

Amend the amendment by inserting after the title the following:

'Amend the bill by inserting after the enacting clause and before section 1 the  
following:

'PART A'

Amend the amendment by inserting after the first indented paragraph the following:

'Sec. 2. 36 MRSA §5122, sub-§1, ¶Q, as enacted by PL 2003, c. 20, Pt. II, §2, is  
repealed.'

Amend the amendment by striking out all of section 4 and inserting the following:

'Sec. 4. 36 MRSA §5122, sub-§1, ¶¶KK and LL are enacted to read:

KK. For taxable years beginning in 2015:

(1) An amount equal to the net increase in depreciation attributable to the  
depreciation deduction claimed by the taxpayer under the Code, Section 168(k)  
with respect to property placed in service in the State during the taxable year for  
which a credit is claimed under section 5219-NN for that taxable year; and

(2) An amount equal to the net increase in depreciation attributable to the  
depreciation deduction claimed by the taxpayer under the Code, Section 168(k)  
with respect to property for which a credit is not claimed under section 5219-NN;  
and

LL. For taxable years beginning on or after January 1, 2016 but before January 1,  
2020, an amount equal to the net increase in depreciation attributable to the  
depreciation deduction claimed by the taxpayer for the taxable year under the Code,  
Section 168(k).'

Amend the amendment in section 7 by striking out all of paragraph PP (page 4, lines  
10 to 31 in amendment) and inserting the following:

HOUSE AMENDMENT

1 'PP. For taxable years beginning on or after January 1, 2017, an amount equal to the  
2 net increase in the depreciation deduction allowable under the Code, Sections 167  
3 and 168 that would have been applicable to that property had the depreciation  
4 deduction under the Code, Section 168(k) not been claimed with respect to such  
5 property placed in service during the applicable taxable year for which an addition  
6 was required under subsection 1, paragraph LL for the applicable taxable year.

7 Upon the taxable disposition of property to which this paragraph applies, the amount  
8 of any gain or loss includable in federal adjusted gross income must be adjusted for  
9 Maine income tax purposes by an amount equal to the difference between the  
10 addition modification for such property under subsection 1, paragraph LL and the  
11 subtraction modifications allowed pursuant to this paragraph.

12 The total amount of subtraction claimed under this paragraph for all tax years may  
13 not exceed the addition modification under subsection 1, paragraph LL for the same  
14 property.'

15 Amend the amendment by striking out all of sections 8 to 11.

16 Amend the amendment in section 14 by striking out all of paragraph DD (page 5,  
17 lines 37 to 39 and page 6, lines 1 to 6 in amendment) and inserting the following:

18 'DD. For taxable years beginning on or after January 1, 2016 but before January 1,  
19 2020, an amount equal to the net increase in depreciation attributable to the  
20 depreciation deduction claimed by the taxpayer for the taxable year under the Code,  
21 Section 168(k).'

22 Amend the amendment in section 17 by striking out all of paragraph BB (page 7,  
23 lines 16 to 36 in amendment) and inserting the following:

24 'BB. For taxable years beginning on or after January 1, 2017, an amount equal to the  
25 net increase in the depreciation deduction allowable under the Code, Sections 167  
26 and 168 that would have been applicable to that property had the depreciation  
27 deduction under the Code, Section 168(k) not been claimed with respect to such  
28 property placed in service during the applicable taxable year for which an addition  
29 was required under subsection 1, paragraph DD for the applicable taxable year.

30 Upon the taxable disposition of property to which this paragraph applies, the amount  
31 of any gain or loss includable in federal taxable income must be adjusted for Maine  
32 income tax purposes by an amount equal to the difference between the addition  
33 modification for such property under subsection 1, paragraph DD and the subtraction  
34 modifications allowed pursuant to this paragraph.

35 The total amount of subtraction claimed under this paragraph for all tax years may  
36 not exceed the addition modification under subsection 1, paragraph DD for the same  
37 property.'

38 Amend the amendment by striking out all of section 18.

39 Amend the amendment in section 20 in the first line (page 9, line 6 in amendment) by  
40 striking out the following: "Act" and inserting the following: 'Part'

41 Amend the amendment in section 20 in the first paragraph in the last line by inserting  
42 after the following: "2015." the following: "That section of this Part that repeals the Maine

1 Revised Statutes, Title 36, section 5122, subsection 1, paragraph Q applies to tax years  
2 beginning on or after January 1, 2016.'

3 Amend the amendment by inserting after section 20 the following:

4 **'PART B**

5 **Sec. B-1. Transfer from tax relief fund.** The State Controller shall transfer  
6 \$9,535,933 from the Tax Relief Fund for Maine Residents established in the Maine  
7 Revised Statutes, Title 5, section 1518-A to the unappropriated surplus of the General  
8 Fund no later than June 30, 2016.

9 **PART C**

10 **Sec. C-1. Appropriations and allocations.** The following appropriations and  
11 allocations are made.

12 **TREASURER OF STATE, OFFICE OF**

13 **Debt Service - Treasury 0021**

14 Initiative: Reduces funding for debt service costs.

15	<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
16	All Other	(\$6,113,120)	\$0
17			
18	<b>GENERAL FUND TOTAL</b>	<b>(\$6,113,120)</b>	<b>\$0</b>

19 **PART D**

20 **Sec. D-1. Transfers from available fiscal year 2015-16 Other Special**  
21 **Revenue Funds balances within the Department of Environmental Protection**  
22 **to General Fund.** Notwithstanding any other provision of law, at the close of fiscal  
23 year 2015-16, the State Controller shall transfer \$194,312 from available balances in  
24 Other Special Revenue Funds accounts within the Department of Environmental  
25 Protection to the General Fund unappropriated surplus. On or before June 30, 2016, the  
26 Commissioner of Environmental Protection shall determine from which accounts the  
27 funds must be transferred so that the sum equals \$194,312 and notify the State Controller  
28 and the Joint Standing Committee on Appropriations and Financial Affairs of the  
29 amounts to be transferred from each account.

30 **PART E**

31 **Sec. E-1. Personal Services savings; transfer to General Fund revenue.**  
32 Notwithstanding the Maine Revised Statutes, Title 5, section 1582, subsection 4 or any  
33 other provision of law, the State Controller shall transfer the first \$3,652,722 of  
34 unexpended Personal Services appropriations that would otherwise lapse to the General

1 Fund Salary Plan program in the Department of Administrative and Financial Services to  
2 the unappropriated surplus of the General Fund at the close of fiscal year 2015-16.

3 **Sec. E-2. General Fund Salary Plan; transfer to General Fund revenue.**  
4 Notwithstanding any other provision of law, the State Controller shall transfer up to  
5 \$3,652,722 from the General Fund Salary Plan program in the Department of  
6 Administrative and Financial Services to the unappropriated surplus of the General Fund  
7 at the close of fiscal year 2015-16 in the event that the total savings in section 1 of this  
8 Part are not achieved.

9 **PART F**

10 **Sec. F-1. Transfer from Maine Budget Stabilization Fund.** The State  
11 Controller shall transfer \$21,621,138 from the Maine Budget Stabilization Fund  
12 established in the Maine Revised Statutes, Title 5, section 1532 to the unappropriated  
13 surplus of the General Fund no later than June 30, 2017.

14 **PART G**

15 **Sec. G-1. Transfer to General Fund unappropriated surplus; K-12**  
16 **Essential Programs and Services, Other Special Revenue Funds account.**  
17 Notwithstanding any other provision of law, the State Controller shall transfer \$767,507  
18 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in  
19 the Department of Education to the General Fund unappropriated surplus no later than  
20 June 30, 2016.

21 **Sec. G-2. Mill expectation.** The mill expectation pursuant to the Maine Revised  
22 Statutes, Title 20-A, section 15671-A for fiscal year 2016-17 is 8.23.

23 **Sec. G-3. Appropriations and allocations.** The following appropriations and  
24 allocations are made.

25 **EDUCATION, DEPARTMENT OF**

26 **General Purpose Aid for Local Schools 0308**

27 Initiative: Increases funding for subsidy payments to school administrative units.

28	<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
29	All Other	\$0	\$22,388,645
30			
31	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$22,388,645</b>

32	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
33	All Other	\$0	\$711,355
34			
35	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$0</b>	<b>\$711,355</b>

1	<b>EDUCATION, DEPARTMENT OF</b>		
2	<b>DEPARTMENT TOTALS</b>	<b>2015-16</b>	<b>2016-17</b>
3			
4	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$22,388,645</b>
5	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$711,355</b>
6			
7	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$23,100,000</b>

8 **PART H**

9 **Sec. H-1. PL 2015, c. 267, Pt. T, §§1 and 2** are amended to read:

10 **Sec. T-1. Transfer from General Fund unappropriated surplus; Fund for**  
 11 **Efficient Delivery of Local and Regional Services - Administration, Other**  
 12 **Special Revenue Funds account; fiscal year 2015-16.** Notwithstanding any other  
 13 provision of law, the State Controller shall transfer ~~\$750,000~~ \$500,000 from the General  
 14 Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional  
 15 Services - Administration, Other Special Revenue Funds account within the Department  
 16 of Administrative and Financial Services no later than June 30, 2016.

17 **Sec. T-2. Transfer from General Fund unappropriated surplus; Fund for**  
 18 **Efficient Delivery of Local and Regional Services - Administration, Other**  
 19 **Special Revenue Funds account; fiscal year 2016-17.** Notwithstanding any other  
 20 provision of law, the State Controller shall transfer ~~\$750,000~~ \$500,000 from the General  
 21 Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional  
 22 Services - Administration, Other Special Revenue Funds account within the Department  
 23 of Administrative and Financial Services no later than June 30, 2017.

24 **Sec. H-2. Appropriations and allocations.** The following appropriations and  
 25 allocations are made.

26 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
 27 **Fund for Efficient Delivery of Local and Regional Services - Administration Z047**  
 28 Initiative: Reduces funding by \$250,000 in each year of the 2016-2017 biennium.

29	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
30	All Other	(\$250,000)	(\$250,000)
31			
32	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>(\$250,000)</b>	<b>(\$250,000)</b>

33 **PART I**

34 **Sec. I-1. PL 2015, c. 267, Part PP** is repealed.

1           **Sec. I-2. Appropriations and allocations.** The following appropriations and  
2 allocations are made.

3           **EDUCATION, DEPARTMENT OF**

4           **Fund for the Efficient Delivery of Educational Services Z005**

5 Initiative: Eliminates one-time funding for consolidation of school administrative units.

6	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
7	All Other	(\$750,000)	(\$750,000)
8			
9	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>(\$750,000)</u>	<u>(\$750,000)</u>

10   **PART J**

11           **Sec. J-1. Transfer; Dirigo Health Fund; General Fund.** Notwithstanding any  
12 other provision of law, the State Controller shall transfer \$300,000 by June 30, 2016 from  
13 the Dirigo Health Fund to the General Fund unappropriated surplus.

14   **PART K**

15           **Sec. K-1. Transfer from Audit Recovery, Other Special Revenue Funds.**  
16 The State Controller shall transfer \$151,331 from the Other Special Revenue Funds audit  
17 recovery account established in the Maine Revised Statutes, Title 5, section 1622 to the  
18 unappropriated surplus of the General Fund no later than June 30, 2016.'

19           Amend the amendment by relettering or renumbering any nonconsecutive Part letter  
20 or section number to read consecutively.

21   **SUMMARY**

22           Part A of this amendment removes from the committee amendment provisions  
23 limiting conformity to tax years beginning in 2015 except that nonconformity with  
24 federal bonus depreciation remains permanently and the Maine capital investment credit,  
25 which replaces bonus depreciation, remains limited to tax years beginning in 2015.

26           Part B transfers \$9,535,933 from the Tax Relief Fund for Maine Residents to the  
27 unappropriated surplus of the General Fund by the end of fiscal year 2015-16.

28           Part C deappropriates funds no longer needed for debt service costs.

29           Part D requires the State Controller to transfer \$194,312, by June 30, 2016, from  
30 available balances in Other Special Revenue Funds accounts within the Department of  
31 Environmental Protection to the General Fund unappropriated surplus.

32           Part E requires the State Controller to transfer the first \$3,652,722 of unexpended  
33 Personal Services savings that would otherwise lapse to the Department of  
34 Administrative and Financial Services, General Fund Salary Plan program to the General  
35 Fund unappropriated surplus at the close of fiscal year 2015-16. This Part also requires

1 the State Controller to transfer funding from the General Fund Salary Plan program to the  
2 General Fund unappropriated surplus in the event that the full \$3,652,722 of Personal  
3 Services savings in this Part is not achieved.

4 Part F requires the transfer of \$21,621,138 from the Maine Budget Stabilization Fund  
5 to the unappropriated surplus of the General Fund no later than June 30, 2017.

6 Part G transfers the projected increases in funding to the Department of Education  
7 from casino revenues in the December 1, 2015 revenue forecast to the General Fund in  
8 fiscal year 2015-16. This Part requires the State Controller to transfer \$767,507 from the  
9 K-12 Essential Programs and Services, Other Special Revenue Funds account in the  
10 Department of Education to the General Fund unappropriated surplus no later than June  
11 30, 2016. Part G reduces the mill rate expectation for fiscal year 2016-17 to 8.23. Part G  
12 also increases funding for subsidy payments to school administrative units by increasing  
13 appropriations and increasing allocations from projected increases in casino revenues in  
14 the December 1, 2015 revenue forecast.

15 Part H reduces by \$250,000, to \$500,000 each fiscal year of the 2016-2017 biennium,  
16 the one-time transfer from the General Fund unappropriated surplus to the Fund for  
17 Efficient Delivery of Local and Regional Services - Administration, Other Special  
18 Revenue Funds account within the Department of Administrative and Financial Services.  
19 This Part also reduces the allocation in the associated Other Special Revenue Funds  
20 account in both fiscal years of the biennium that would have received the transfer.

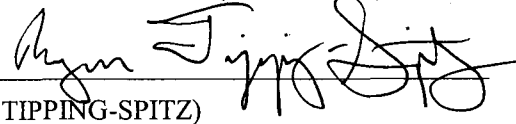
21 Part I repeals Public Law 2015, chapter 267, Part PP, which required the State  
22 Controller to transfer \$750,000 in each fiscal year of the 2016-2017 biennium, as a one-  
23 time transfer, from the General Fund unappropriated surplus to the Fund for the Efficient  
24 Delivery of Educational Services, Other Special Revenue Funds account within the  
25 Department of Education. This Part also eliminates one-time funding for the  
26 consolidation of school administrative units.

27 Part J transfers the projected remaining balance of \$300,000 in fiscal year 2015-16  
28 from the Dirigo Health Fund to the General Fund unappropriated surplus in addition to  
29 the transfer of \$700,000 enacted in Public Law 2015, chapter 267, Part W.

30 Current law directs the State Controller to conduct recovery audits of payments made  
31 by state agencies to vendors at least once every 10 years. Part K lapses the remaining  
32 balance of the audit recovery, after the amounts paid to the consultant, to the  
33 unappropriated surplus of the General Fund no later than June 30, 2016.

34 **FISCAL NOTE REQUIRED**

35 (See attached)

36 SPONSORED BY:   
37 (Representative TIPPING-SPITZ)

38 TOWN: Orono



**127th MAINE LEGISLATURE****LD 1564****LR 2444(05)****An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the  
Maine Revised Statutes****Fiscal Note for House Amendment *B* to Committee Amendment "B"****Sponsor: Rep. Tipping-Spitz of Orono****Fiscal Note Required: Yes****Fiscal Note**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Projections FY 2017-18</b>	<b>Projections FY 2018-19</b>
<b>Net Cost (Savings)</b>				
General Fund	(\$20,313,525)	\$7,566,347	\$27,696,325	\$26,936,825
<b>Appropriations/Allocations</b>				
General Fund	(\$6,113,120)	\$22,388,645	\$22,388,645	\$22,388,645
Other Special Revenue Funds	(\$1,000,000)	(\$288,645)	\$711,355	\$711,355
<b>Revenue</b>				
General Fund	(\$1,401,400)	(\$7,798,840)	(\$5,307,680)	(\$4,548,180)
Other Special Revenue Funds	(\$28,600)	(\$159,160)	(\$107,960)	(\$92,820)
<b>Transfers</b>				
General Fund	\$15,601,805	\$22,621,138	\$0	\$0
Other Special Revenue Funds	(\$2,113,150)	(\$1,000,000)	\$0	\$0
Dirigo Health Fund	(\$300,000)	\$0	\$0	\$0

**Fiscal Detail and Notes**

Part A proposes to conform to certain federal tax laws for tax years beginning on or after January 1, 2015 and to conform to bonus depreciation for the 2015 tax year only. Compared to Committee Amendment B, this amendment would incrementally reduce General Fund revenue by \$1,401,400 in fiscal year 2015-16 and by \$7,798,840 in fiscal year 2016-17. It would also incrementally reduce transfers to the Local Government Fund by \$28,600 in fiscal year 2015-16 and by \$159,160 in fiscal year 2016-17.

Part B transfers \$9,535,933 from the Tax Relief Fund for Maine Residents to the unappropriated surplus of the General Fund in fiscal year 2015-16.

Part C deappropriates \$6,113,120 from the Office of the Treasurer of the State in fiscal year 2015-16 to reflect savings in debt service.

Part D transfers \$194,312 in fiscal year 2015-16 from various Department of Environmental Protection Other Special Revenue Funds accounts chosen by the department prior to the close of fiscal year 2015-16 to the unappropriated surplus of the General Fund.

Part E lapses \$3,652,722 in fiscal year 2015-16 from Personal Services appropriations that would otherwise lapse to the Salary Plan account in the Department of Administrative and Financial Services.

Part F transfers \$21,621,138 from the Maine Budget Stabilization Fund to the unappropriated surplus of the General Fund not later than June 30, 2017.

Part G transfers \$767,507 in fiscal year 2015-16 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund. Part G also sets the full value education mill rate in fiscal year 2016-17 at 8.23 mills. Part G appropriates \$22,388,645 per year beginning in fiscal year 2016-17 to the General Purpose Aid for Local Schools program within the Department of Education to provide additional subsidy for local schools. Finally, Part G allocates \$711,355 per year beginning in fiscal year 2016-17 due to increased projections in table games and slot machine revenue that support K-12 public education.

Part H deallocates \$250,000 in fiscal year 2015-16 and \$250,000 in fiscal year 2016-17 from the Fund for Efficient Delivery of Local and Regional Services - Administration program and repeals transfers from the General Fund to the Fund for Efficient Delivery of Local and Regional Services - Administration program.

Part I repeals the provision in Public Law 2015, c. 267, Part PP that required the State Controller to transfer \$750,000 in fiscal year 2015-16 and \$750,000 in fiscal year 2016-17 from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Educational Services Other Special Revenue Funds account and includes corresponding deallocations to the program account.

Part J transfers \$300,000 from the Dirigo Health Fund to the unappropriated surplus of the General Fund during fiscal year 2015-16.

Part K transfers \$151,331 from the Audit Recovery Other Special Revenue Funds account to the unappropriated surplus of the General Fund during fiscal year 2015-16.