

MAINE STATE LEGISLATURE

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Date: 02/13/19

MAJORITY

(Filing No. S-280)

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TAXATION

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**STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION**

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COMMITTEE AMENDMENT "A" to S.P. 194, L.D. 607, Bill, "An Act To Provide Equitable Taxation for the Food and Beverage Industry"

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

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Sec. 1. 36 MRSA §5122, sub-§2, ¶QQ is enacted to read:

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QQ. For tax years beginning on or after January 1, 2019, an amount equal to the federal deduction that an employer was prohibited from claiming under the Code, Section 45B(c) due to claiming the federal employer social security tax credit under the Code, Section 45B.

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Sec. 2. 36 MRSA §5200-A, sub-§2, ¶FF is enacted to read:

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FF. For tax years beginning on or after January 1, 2019, an amount equal to the federal deduction that an employer was prohibited from claiming under the Code, Section 45B(c) due to claiming the federal employer social security tax credit under the Code, Section 45B.

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Sec. 3. Application. This Act applies to tax years beginning on or after January 1, 2019.'

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SUMMARY

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This amendment provides the correct references to the federal credit that causes the need for the deductions authorized by the bill and specifies that the deductions apply beginning with the 2019 tax year.

FISCAL NOTE REQUIRED
(See Attached)

COMMITTEE AMENDMENT



129th MAINE LEGISLATURE

LD 607

LR 496(02)

An Act To Provide Equitable Taxation for the Food and Beverage Industry

Fiscal Note for Bill as Amended by Committee Amendment "A" (S 284)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$48,450	\$48,450	\$48,450	\$48,450
Revenue				
General Fund	(\$48,450)	(\$48,450)	(\$48,450)	(\$48,450)
Other Special Revenue Funds	(\$2,550)	(\$2,550)	(\$2,550)	(\$2,550)

Fiscal Detail and Notes

The bill allows a deduction from individual and corporate taxes for the federal tax credit allowed to an employer for the employer's share of FICA taxes paid on the portion of an employee's tips that cause the employee's wages to exceed \$5.15 per hour. This will annually reduce General Fund revenue by \$48,450 and Other Special Revenue Funds Revenue by \$2,550 beginning in fiscal year 2019-20.