

MAINE STATE LEGISLATURE

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SM
2019

Date: 5/29/19 Minority

(Filing No. H-384)

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TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 935, L.D. 1292, Bill, "An Act To Lower Maine's Individual Income Tax"

Amend the bill in section 3 in subsection 1-G in the 8th line (page 1, line 36 in L.D.) by striking out the following: "\$2,918" and inserting the following: '\$2,919'

Amend the bill by striking out all of section 11 and inserting the following:

'Sec. 11. 36 MRSA §5403, sub-§1, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

1. Individual income tax rate tables. For the tax rate tables in section 5111:

A. ~~Beginning in~~ In 2016 ~~and each year thereafter, 2017 and 2018~~, by the lowest dollar amounts of the tax rate tables specified in section 5111, subsections 1-F, 2-F and 3-F, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2015; ~~and~~

B. ~~Beginning in~~ In 2017 ~~and each year thereafter 2018~~, by the highest taxable income dollar ~~amount~~ amounts of each the tax rate ~~table~~ tables specified in section 5111, subsections 1-F, 2-F and 3-E, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2016;

C. In 2019 and 2020, by the lowest dollar amounts of the tax rate tables specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2015;

COMMITTEE AMENDMENT

1 D. In 2019 and 2020, by the highest taxable income dollar amounts of the tax rate
2 tables specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the
3 purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the
4 "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month
5 period ending June 30th of the preceding calendar year divided by the Chained
6 Consumer Price Index for the 12-month period ending June 30, 2016;

7 E. Beginning in 2021 and each year thereafter, by the lowest dollar amounts of the
8 tax rate tables specified in section 5111, subsections 1-H, 2-H and 3-H, except that
9 for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the
10 "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month
11 period ending June 30th of the preceding calendar year divided by the Chained
12 Consumer Price Index for the 12-month period ending June 30, 2015; and

13 F. Beginning in 2021 and each year thereafter, by the highest taxable income dollar
14 amounts of the tax rate tables specified in section 5111, subsections 1-H, 2-H and
15 3-H, except that for the purposes of this paragraph, notwithstanding section 5402,
16 subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index
17 for the 12-month period ending June 30th of the preceding calendar year divided by
18 the Chained Consumer Price Index for the 12-month period ending June 30, 2016;'

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

21 **SUMMARY**

22 This amendment corrects a rounding error in the bill and adds language to make
23 inflation adjustments to the tax tables.

24 **FISCAL NOTE REQUIRED**

25 (See attached)



129th MAINE LEGISLATURE

LD 1292

LR 1395(02)

An Act To Lower Maine's Individual Income Tax

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-384)

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	\$42,446,000	\$122,911,000	\$154,717,000	\$166,801,000
Revenue				
General Fund	(\$42,446,000)	(\$122,911,000)	(\$154,717,000)	(\$166,801,000)
Other Special Revenue Funds	(\$2,234,000)	(\$6,469,000)	(\$8,143,000)	(\$8,779,000)

Fiscal Detail and Notes

This bill lowers the individual income tax rate over 3 years and would result in a reduction in General Fund revenue of \$42,446,000 in fiscal year 2019-20 and \$122,911,000 in fiscal year 2020-21. It would also result in a reduction in Local Government Fund revenue of \$2,234,000 in fiscal year 2019-20 and \$6,469,000 in fiscal year 2020-21.