

MAINE STATE LEGISLATURE

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L.D. 498

Date: 6-14-21

(Filing No. H-612)

MAJORITY
TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 361, L.D. 498, "An Act To Reauthorize a 3 Percent Tax on Income over \$200,000 To Lift All Maine Workers out of Poverty"

Amend the bill by inserting after section 5 the following:

Sec. 6. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides funding for 2 Tax Examiner positions and related costs to review and process the additional earned income tax credits claimed.

| GENERAL FUND | 2021-22 | 2022-23 |
|-------------------------------|------------------|------------------|
| POSITIONS - LEGISLATIVE COUNT | 2,000 | 2,000 |
| Personal Services | \$137,056 | \$183,976 |
| All Other | \$10,992 | \$8,692 |
| GENERAL FUND TOTAL | <u>\$148,048</u> | <u>\$192,668</u> |

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

SUMMARY

This amendment adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



130th MAINE LEGISLATURE

LD 498

LR 903(02)

An Act To Reauthorize a 3 Percent Tax on Income over \$200,000 To Lift All Maine Workers out of Poverty

Fiscal Note for Bill as Amended by Committee Amendment *ACH-6(2)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

| | FY 2021-22 | FY 2022-23 | Projections FY 2023-24 | Projections FY 2024-25 |
|-----------------------------------|----------------|----------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | (\$72,636,202) | (\$41,685,707) | (\$52,564,445) | (\$67,948,370) |
| Appropriations/Allocations | | | | |
| General Fund | \$148,048 | \$192,668 | \$198,555 | \$204,630 |
| Revenue | | | | |
| General Fund | \$72,784,250 | \$41,878,375 | \$52,763,000 | \$68,153,000 |
| Other Special Revenue Funds | \$2,835,750 | \$1,631,625 | \$2,777,000 | \$3,587,000 |

Fiscal Detail and Notes

The bill imposes a 3% surcharge on taxable income exceeding \$200,000 and increases the earned income tax credit to the federal level and will increase General Fund revenue by \$72,784,250 in fiscal year 2021-22 and \$41,878,375 in fiscal year 2022-23. It also increases Local Government Fund revenue by \$2,835,750 in fiscal year 2021-22 and \$1,631,625 in fiscal year 2022-23.

The bill includes General Fund appropriations of \$148,048 in fiscal year 2021-22 and \$192,668 in fiscal year 2022-23 to the Department of Administrative and Financial Services for 2 Tax Examiner positions and related costs to review and process the additional earned income tax credits claimed.