

# MAINE STATE LEGISLATURE

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LD 1638

Date 6/14/23

(Filing No S- 329)

**MINORITY**

**TAXATION**

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**STATE OF MAINE  
SENATE  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S P 655, LD 1638, "An Act to Lower the State's Individual Income Tax"

Amend the bill by inserting after section 10 the following

**Sec. 11. Appropriations and allocations.** The following appropriations and allocations are made

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

Initiative Provides one-time funding for administrative costs to implement changes in income tax rates

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$134,000	\$0
<b>GENERAL FUND TOTAL</b>	<u>\$134,000</u>	<u>\$0</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**



# 131st MAINE LEGISLATURE

LD 1638

LR 1576(02)

## An Act to Lower the State's Individual Income Tax

Fiscal Note for Bill as Amended by Committee Amendment "A(S-329)"

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$180,444,000	\$169,527,500	\$222,252,500	\$247,285,000
<b>Appropriations/Allocations</b>				
General Fund	\$134,000	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	(\$180,310,000)	(\$169,527,500)	(\$222,252,500)	(\$247,285,000)
Other Special Revenue Funds	(\$9,490,000)	(\$8,922,500)	(\$11,697,500)	(\$13,015,000)

#### Fiscal Detail and Notes

This bill reduces income tax rates for tax years beginning on or after January 1, 2023. General Fund revenue will decrease by \$180,310,000 in fiscal year 2023-24 and \$169,527,500 in fiscal year 2024-25. The reductions in income tax revenue will reduce Local Government Fund revenue by \$9,490,000 in fiscal year 2023-24 and \$8,922,500 in fiscal year 2026-27. The bill includes a one-time General Fund appropriation to the Department of Administrative Services, Bureau of Revenue Services of \$134,000 in fiscal year 2023-24 for the administrative costs of implementing the income tax changes.

Income tax withholding and estimated tax payments for the 2023 tax year that occur prior to the effective date of the bill will be based on higher tax rates and are likely to result in the overpayment of individual income taxes and in higher income tax refunds issued by the State when 2023 taxes are filed.