

MAINE STATE LEGISLATURE

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Date 6/21/23 Majority

LD 1866
(Filing No H-686)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to HP 1196, LD 1866, "An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels"

Amend the bill by striking out the title and substituting the following

'Resolve, to Establish the Commission to Study Fair, Equitable and Competitive Income Tax Policy for Maine's Families and Small Businesses'

Amend the bill by striking out everything after the title and inserting the following

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies, and

Whereas, this resolve creates the Commission to Study Fair, Equitable and Competitive Income Tax Policy for Maine's Families and Small Businesses and directs the commission to study and report to the Legislature on issues associated with the effects of income tax policy on the State's working families and small businesses and develop recommendations designed to ensure that the tax policy of the State is fair and equitable, improves the competitive position of the State, encourages more investment in new and existing small businesses in the State and helps attract skilled and knowledgeable workers necessary for a sustainable, growing economy in all regions of the State, and

Whereas, the commission is directed to report the results of its work to the Legislature by December 6, 2023, and

Whereas, the work of the commission will be too complicated and demanding to be accomplished in the period of time between 90 days after the adjournment of the First Special Session and December 6, 2023, and

Whereas, additional time is needed for the commission to provide a detailed and complete report to the Legislature by December 6, 2023, and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as

COMMITTEE AMENDMENT

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1 immediately necessary for the preservation of the public peace, health and safety, now,
2 therefore, be it

3 **Sec. 1. Commission established. Resolved:** That the Commission to Study Fair,
4 Equitable and Competitive Income Tax Policy for Maine's Families and Small Businesses,
5 referred to in this resolve as "the commission," is established

6 **Sec. 2. Membership. Resolved:** That, notwithstanding Joint Rule 353, the
7 commission consists of 16 members appointed as follows

8 1 Three members of the Senate appointed by the President of the Senate, including a
9 member from each of the 2 parties holding the largest number of seats in the Legislature,

10 2 Three members of the House of Representatives appointed by the Speaker of the
11 House, including a member from each of the 2 parties holding the largest number of seats
12 in the Legislature,

13 3 Six members appointed by the Governor as follows

14 A One member representing the Office of the Governor,

15 B One member representing a statewide organization that represents business
16 interests,

17 C One member representing a statewide organization that represents Maine heritage
18 industry interests,

19 D One member who is a tax policy expert,

20 E One member who is an expert in tax accounting, and

21 F One member representing a nonprofit organization with expertise in taxation,

22 4 One public member representing the interests of small businesses and one public
23 member representing the interests of working families, appointed by the President of the
24 Senate, and

25 5 One public member representing the interests of small businesses and one public
26 member representing the interests of working families, appointed by the Speaker of the
27 House

28 **Sec. 3. Chairs. Resolved:** That the first-named Senate member is the Senate chair
29 and the first-named House of Representatives member is the House chair of the
30 commission

31 **Sec. 4. Appointments; convening of commission. Resolved:** That all
32 appointments must be made no later than 30 days following the effective date of this
33 resolve. The appointing authorities shall notify the Executive Director of the Legislative
34 Council once all appointments have been completed. After appointment of all members,
35 the chairs shall call and convene the first meeting of the commission. If 30 days or more
36 after the effective date of this resolve a majority of but not all appointments have been
37 made, the chairs may request authority and the Legislative Council may grant authority for
38 the commission to meet and conduct its business

39 **Sec. 5. Duties. Resolved:** That the commission shall study issues associated with
40 the effects of income tax policy on the State's working families and small businesses and
41 shall develop recommendations designed to ensure that the tax policy of the State is fair

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1 and equitable, improves the competitive position of the State, encourages more investment
2 in new and existing small businesses in the State and helps attract skilled and
3 knowledgeable workers necessary for a sustainable, growing economy in all regions of the
4 State In examining the issues, the commission shall consider measures designed to level
5 the playing field for small businesses and to aid entrepreneurs, shall consider the
6 importance to working families and businesses of adequately funding important
7 government services, such as aid to local services, education, infrastructure maintenance
8 and affordable health care, and shall propose measures that ensure these services are
9 adequately funded The commission shall also evaluate the direct impact of any proposed
10 tax changes on after-tax income by income decile

11 **Sec. 6. Staff assistance. Resolved:** That the Legislative Council shall provide
12 necessary staffing services to the commission, except that Legislative Council staff support
13 is not authorized when the Legislature is in regular or special session

14 **Sec. 7. Provision of information to commission. Resolved:** That the
15 Department of Administrative and Financial Services, Maine Revenue Services shall
16 provide to the commission information, consistent with the restrictions set forth in the
17 Maine Revised Statutes, Title 36, section 191, that is requested by the commission

18 **Sec. 8. Report. Resolved:** That, no later than December 6, 2023, the commission
19 shall submit a report that includes its findings and recommendations, including suggested
20 legislation, for presentation to the Second Regular Session of the 131st Legislature

21 **Emergency clause.** In view of the emergency cited in the preamble, this legislation
22 takes effect when approved '

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

25 **SUMMARY**

26 This amendment replaces the bill with a resolve that creates the Commission to Study
27 Fair, Equitable and Competitive Income Tax Policy for Maine's Families and Small
28 Businesses and directs it to study and report to the Legislature on issues associated with the
29 effects of income tax policy on the State's working families and small businesses and
30 develop recommendations designed to ensure that the tax policy of the State is fair and
31 equitable, improves the competitive position of the State, encourages more investment in
32 new and existing small businesses in the State and helps attract skilled and knowledgeable
33 workers necessary for a sustainable, growing economy in all regions of the State The
34 amendment also adds an emergency preamble and an emergency clause.

35 **FISCAL NOTE REQUIRED**

36 (See attached)



131st MAINE LEGISLATURE

LD 1866

LR 2110(02)

An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-686)
Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

Legislative Cost/Study

The general operating expenses of this study are projected to be \$4,450 in fiscal year 2023-24. The Legislature's proposed budget for the 2024-2025 biennium includes \$14,500 in each of fiscal years 2023-24 and 2024-25 for the costs of legislative studies, as well as \$2,234 in projected balances from fiscal year 2022-23 and \$36,777 of balances carried over from prior years for this purpose. Whether these amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature. The additional costs of providing staffing assistance to the study during the interim can be absorbed utilizing existing budgeted staff resources.

Fiscal Detail and Notes

Additional costs to the Office of the Governor associated with participation in the study commission can be absorbed within existing budgeted resources. Additional costs to the Department of Administrative and Financial Services, Bureau of Revenue Services associated with providing information to the commission upon request can be absorbed within existing budgeted resources.