

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

SK  
ROS

Date: 3/4/24

(Filing No. S-556)

MINORITY  
TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE  
SENATE  
131ST LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 757, L.D. 1873, "An Act to Provide Heating Relief with Tax-free Home Energy Savings Accounts"

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

'An Act to Provide Electricity Cost Relief for Households Through an Income Tax Deduction'

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

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

AAA. For taxable years beginning on or after January 1, 2024, an amount up to \$2,500 paid during the taxable year for electricity billed for use in the taxpayer's household. No more than \$2,500 may be deducted for any one household. For the purposes of this paragraph, "household" has the same meaning as in section 6201, subsection 6.

Sec. 2. 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 computer programming costs related to an income tax deduction for electricity costs.

GENERAL FUND	2023-24	2024-25
All Other	\$0	\$11,000
GENERAL FUND TOTAL	\$0	\$11,000

Revenue Services, Bureau of 0002

COMMITTEE AMENDMENT

ROS

COMMITTEE AMENDMENT "A" to S.P. 757, L.D. 1873 (S.556)

Initiative: Establishes one Senior Tax Examiner and 2 Tax Examiner positions, effective October 1, 2024, to audit individual income tax returns associated with an income tax deduction for electricity costs.

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
POSITIONS - LEGISLATIVE COUNT	0.000	3.000
Personal Services	\$0	\$283,267
All Other	\$0	\$17,454
<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$300,721</u>

<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		
<b>DEPARTMENT TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
GENERAL FUND	\$0	\$311,721
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$0</u>	<u>\$311,721</u>

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

**SUMMARY**

This amendment, which replaces the bill and changes the title, provides an income tax deduction in an amount up to \$2,500 paid during the taxable year for electricity used in the taxpayer's household.

**FISCAL NOTE REQUIRED**

(See attached)

**COMMITTEE AMENDMENT**



# 131st MAINE LEGISLATURE

LD 1873

LR 1495(02)

## An Act to Provide Heating Relief with Tax-free Home Energy Savings Accounts

Fiscal Note for Bill as Amended by Committee Amendment "A"(S-556)

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	\$0	\$43,536,721	\$50,565,830	\$53,097,471
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$311,721	\$405,830	\$419,971
<b>Revenue</b>				
General Fund	\$0	(\$43,225,000)	(\$50,160,000)	(\$52,677,500)
Other Special Revenue Funds	\$0	(\$2,275,000)	(\$2,640,000)	(\$2,772,500)

#### Fiscal Detail and Notes

This bill establishes an individual income tax deduction for electricity costs of up to \$2,500 for electricity used in a taxpayer's household during the tax year. This deduction is estimated to affect more than 400,000 individual income tax returns annually. It will reduce General Fund revenue by \$43,225,000 and Local Government Fund revenue by \$2,275,000 in fiscal year 2024-25.

The bill includes ongoing General Fund appropriations to the Department of Administrative and Financial Services, Bureau of Revenue Services beginning at \$300,721 in fiscal year 2024-25 for one Senior Tax Examiner position and two Tax Examiner positions starting October 1, 2024 to audit tax returns claiming the income tax deduction for electricity costs. It also includes a one-time General Fund appropriation of \$11,000 in fiscal year 2024-25 for computer programming costs associated with the new tax deduction.