

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
ONE HUNDRED AND THIRTEENTH LEGISLATURE

AS PUBLIC LAWS AND CONSTITUTIONAL RESOLUTIONS

at the

**THIRD SPECIAL SESSION**

September 15, 1988 to September 16, 1988

and the

**FOURTH SPECIAL SESSION**

November 28, 1988

AND

AS PRIVATE AND SPECIAL LAWS AND RESOLVES

at the

**FIRST REGULAR SESSION**

December 3, 1986 to June 30, 1987

**FIRST SPECIAL SESSION**

October 9, 1987 to October 10, 1987

**SECOND SPECIAL SESSION**

October 21, 1987 to November 20, 1987

**SECOND REGULAR SESSION**

January 6, 1988 to May 5, 1988

**THIRD SPECIAL SESSION**

September 15, 1988 to September 16, 1988

and the

**FOURTH SPECIAL SESSION**

November 28, 1988

PUBLISHED BY THE REVISOR OF STATUTES  
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 163-A, SUBSECTION 4.

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Twin City Printery  
Lewiston, Maine  
1989

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**PUBLIC LAWS**

OF THE

**STATE OF MAINE**

AS PASSED AT THE  
FOURTH SPECIAL SESSION  
of the  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
1987

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**CHAPTER 892**

H.P. 2001 — L.D. 2705

**AN ACT to Amend the Maine Income Tax Code.**

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is necessary that the State Tax Assessor take certain action pursuant to this legislation prior to the expiration of the 90-day period; 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 immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

**Sec. 1.** 5 MRSA §1514, sub-§4, as amended by PL 1987, c. 816, Pt. S, and as repealed and replaced by PL 1987, c. 819, §1, is repealed and the following enacted in its place:

4. Fund adjustments. Adjustments to the fund shall be as follows.

A. A transfer from this fund to the General Fund to offset the loss of revenue attributable to income tax reductions to avoid a windfall for the tax year 1987 is required prior to June 30, 1988, in the amount of \$16,500,000.

B. The State Controller shall transfer to the General Fund any balance in this fund on June 30, 1988, which was certified to it in accordance with subsection 2 as revenue directly attributable to corporate income tax. This transfer will provide additional resources for property tax relief through an appropriation to the General Purpose Aid to Local Schools Account.

C. A transfer from this fund to the General Fund is required to offset the loss of revenue resulting from individual income tax reform for the 1988 tax year. The amount of this transfer will be equal to the amount certified to the fund because of increased individual income tax collections through the period ending June 30, 1988, plus accrued interest, less the amount transferred in paragraph A to offset individual income tax reductions and less the amount expended to offset 1987 tax year rebates and their administrative costs. This transfer shall be made no later than October 1, 1988.

D. It is intended that the State Controller transfer the amounts defined in paragraph C from the General Fund balance to undedicated revenue. These transfers shall be made on a monthly basis during the peri-

od of January 1989, to June 1989, in amounts directly proportional to total individual income tax revenue estimates for those months.

**Sec. 2.** 36 MRSA §5126, as amended by PL 1987, c. 772, §37 and as repealed and replaced by PL 1987, c. 819, §8, is repealed and the following enacted in its place:

§5126. Personal exemptions tax credit

An individual shall be allowed a personal exemption tax credit in the amount provided in the following tables for each exemption to which the individual is entitled for the taxable year for federal income tax purposes or as otherwise provided in this section.

1. Single individuals and married persons filing separate returns. For single individuals and married persons filing separate returns:

<u>If Maine adjusted gross income is:</u>	<u>The amount of the tax credit per allowable personal exemption is:</u>
Less than \$20,000	\$55
At least \$20,000, but less than \$25,000	\$65
\$25,000 or more	\$30

2. Heads of households. For unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine adjusted gross income is:</u>	<u>The amount of the tax credit per allowable personal exemption is:</u>
Less than \$30,000	\$55
At least \$30,000, but less than \$37,500	\$65
\$37,500 or more	\$30

3. Individuals filing married joint return or surviving spouses. For individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine adjusted gross income is:</u>	<u>The amount of the tax credit per allowable personal exemption is:</u>
Less than \$40,000	\$55
At least \$40,000, but less than \$50,000	\$65
\$50,000 or more	\$30

Individuals entitled to zero personal exemptions for federal income tax purposes are entitled to a single personal exemption tax credit in an amount determined in accordance with the tables in this section.

An additional personal exemption tax credit is allowable to each individual who, pursuant to the Code, Section 63(f), if claiming a standard deduction for the tax year, is entitled to the additional amount provided in

either the first paragraph of the Code or the higher amount provided in the 3rd paragraph. An additional personal exemption tax credit is also allowable to each individual who, pursuant to the Code, Section 63(f), is, if claiming a standard deduction for the tax year, entitled to the additional amount provided in either the 2nd paragraph of the Code or the higher amount provided in the 3rd paragraph. For a tax year in which the taxpayer does not file a joint return with that taxpayer's spouse and if the spouse has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer, the taxpayer is entitled to claim a personal exemption tax credit for each additional personal exemption allowable to the spouse as provided by this section. In no case does this credit reduce the Maine income tax to less than zero.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective November 29, 1988.

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## CHAPTER 893

H.P. 2004 — L.D. 2709

### AN ACT to Extend the Reporting Deadline of the Commission to Study the Impact of Game and Nongame Species on Maine's Economy.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, unless this legislation takes effect immediately, the commission will be unable to submit its interim report in a timely manner; 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 immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

PL 1987, c. 554, §3, first paragraph is amended to read:

The departments shall utilize the General Fund support as matching funds for any available federal funds on a 25% state, 75% federal cost share basis. The contractor shall report at least monthly to the commission and shall be required to submit an interim report to the commission by December 1, 1988, and a final report no later than December 1, 1990.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective November 29, 1988.

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## CHAPTER 894

H.P. 2006 — L.D. 2710

### AN ACT to Extend the Reporting Deadline of the Special Commission to Study School Funding and State Tax Law.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, unless this legislation takes effect immediately, the commission will be unable to submit its final report in a timely manner; 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 immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. PL 1987, c. 848, §11, sub-§2, ¶J is amended to read:

J. Complete the study by ~~December 6, 1988~~, January 30, 1989 and report to the Governor and the First Regular Session of the 114th Legislature.

Sec. 2. **Transition.** Members who were appointed to the special commission pursuant to Public Law 1987, chapter 848, section 11, subsection 1, shall continue to serve on the special commission until January 30, 1989.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective November 29, 1988.

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## CHAPTER 895

H.P. 2007 — L.D. 2711

### AN ACT to Provide a Sales Tax Exemption for Items Sold in Schools.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, unless this legislation is enacted as an emergency measure, the sales tax on items sold by schools or school-related clubs or organizations will be collected by the Bureau of Taxation before the expiration of the