

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND EIGHTH LEGISLATURE  
COMMITTEE ON TAXATION

December 29, 1977

Rep. John L. Martin, Chairman  
Legislative Council  
c/o Speaker's Office  
State House  
Augusta, Maine 04333

Dear Representative Martin:

In accordance with HP 1817, which ordered a study of the New Mexico tax rebate system, we enclose herein the final report of the Committee on Taxation.

Respectfully submitted,

*Senator Hollis J. Wyman*  
Senator Hollis J. Wyman  
Senate Chairman

*Rep. Richard J. Carey*  
Representative Richard J. Carey  
House Chairman

enclosures



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STATE OF MAINE  
 ONE HUNDRED AND EIGHTH LEGISLATURE  
**COMMITTEE ON TAXATION**

WHO BEARS THE BURDEN  
 OF MAINE TAXES?

A Report By  
 the Joint Select Committee on Taxation  
 108th Legislature  
 November, 1977

1. Introduction

The New Mexico tax rebate system. Study Order HP 1817 (see Appendix A) directed the Committee on Taxation to study the New Mexico tax rebate system. This rebate system is designed to lessen for lower and middle income persons the overall regressivity of the total state-local tax structure. It does this by calculating the regressive burden, if any, of each individual tax and by then establishing a single rebate formula that insures that no New Mexico family or person below the poverty level - worker, elderly or poor employed - will pay a greater share of taxes than a similar family or person whose income equals the poverty level. Although it is a partial reimbursement for regressive taxes of all types (property taxes, sales taxes, etc.), for convenience the rebates are administered through the state income tax system. Appendix B is a copy of LD 1613 from the 108th Legislature's first regular session. This bill is a Maine version of the New Mexico system and its Statement of Fact provides an additional description of how the rebate system would work.

Tax structure reform. From a tax policy point of view, the appeal of the New Mexico tax rebate system rests in the following features:

1. It adopts a structural approach to tax reform: What is the total burden of all our state taxes? How can the total burden be most equitably distributed? The New Mexico system does not try to alleviate the unfair burden of only one state tax (e.g., the property tax) but rather of all state taxes.
2. It's relatively simple administrative machinery; and
3. It's continuing statistical survey of Maine tax burdens.

Cost. L.D. 1613 estimated the initial cost of the rebate system would be approximately \$4.6 million. \$60,000 of this was to go to the continuing study needed to define the degree of regressivity of each tax (see §7106 of L.D. 1613 for a description of the necessary study).<sup>1/</sup>

## 2. Rebates versus credits

In some respects, the New Mexico tax rebate system can be seen as an alternative to broad tax exemptions. While more complex than exemptions, a rebate system is also much more accurate in the way it provides tax relief. Under the tax rebate system only persons with a poor ability to pay receive tax relief. That such a tax rebate system is possible may be an important factor in the committee's deliberations under the recently passed "sunset" bill for all tax exemptions (see 36 MRSA c. 29). The sunset mechanism offers an opportunity to consider at least a partial switch from an exemption system to a tax rebate system. However, it should be emphasized that New Mexico allows few tax exemptions. For example, New Mexico levies a sales tax on food while Maine does not. And it is Maine's exemption of food that results in its sales tax losing most if not all of its regressive sting.

## 3. Committee's deliberations

The Committee on Taxation first became acquainted with the New Mexico rebate system during the 108th's first regular session. It received a lengthy presentation on the system from Dr. Gerald Boyle, a professor at the University of New Mexico and the person who originally designed the rebate system. The Maine version of the rebate system (L.D. 1613) was withdrawn from consideration and, in its stead, the Legislature ordered the Committee on Taxation to further study this issue before the next regular session. Subsequently, the Committee has held three meetings on this matter.

Their inquiry focused on what was considered the initial question that must be answered: Is there a need for a special study to determine the different tax burdens carried by Maine citizens?

This question needed answering because:

- A. Such a study would be the basis of any New Mexico type rebate schedule;
- B. Such a study might indicate that a different form of tax relief - or none at all - was the wider course.

## 4. Committee hearings

At the committee hearings testimony was provided by:

- A. Carl Veazy  
Senior Economist  
Center for Research and Advanced Study  
246 Deering Avenue  
Portland, Maine 04102

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<sup>1/</sup> The committee's study this fall indicated \$60,000 to be an inflated figure. See section 5 of this memo.

- B. David Wihry  
Chairman, Department of Economics  
University of Maine at Orono  
Orono, Maine 04473
- C. Richard Dye  
Department of Economics  
Bowdoin College  
Brunswick, Maine 04011

The testimony of these three persons indicated:

- A. that a comprehensive study of Maine tax burdens is indeed clearly needed; and
- B. that the cost of such a study might cost as much as \$25,000. Such a study would include a survey among Maine citizens to discover first hand their tax burdens.

#### 5. Committee's conclusions and recommendations

The committee concluded:

- A. That a tax credit system similar to New Mexico's should not be instituted in Maine at this time.
- B. That the information currently available on Maine tax burdens is not sufficiently current or detailed. (See Appendix C for a summary of available Maine tax burden information.)
- C. That a study of Maine tax burdens would be a useful tool with which to measure the effectiveness and need of:
  - (1) future tax reform plans, including a tax rebate system modeled on New Mexico's;
  - (2) requests for exemptions or credits.
- D. That such a tax burden study might also assist the committee in its statutory obligation to periodically review all tax exemptions and credits;
- E. That such a study should include at least the following information:
  - (1) How heavy is the burden of our various state taxes on representative classes of Maine citizens (e.g., classes defined by income, property holdings, family size, geographic location, cost of living);
  - (2) Mitigating effect of federal transfer payments or aid programs on these various tax burdens; and
  - (3) Mitigating effect of federal taxes on these various tax burdens (e.g., federal income tax breaks to low income persons or the fact that upper income can deduct state taxes from federal taxable income).

## In House

Whereas, the overall tax structure in Maine is regressive, which means the higher income person often pays a smaller percentage of his income than the low income person does; and

Whereas, the State has enacted many tax exemptions which provide relief to persons whether they need that relief or not; and

Whereas, the State has largely ignored tax rebate programs which can be tailored to go to those Maine citizens most deserving of assistance; now, therefore, be it

Ordered, the Senate concurring, that the Joint Standing Committee on Taxation study the methods and experience of the New Mexico tax rebate system which is designed to equalize the tax burden of low and high income persons; and be it further

Ordered, that the committee also investigate the basic question of whether Maine should pursue tax equity through rebates or through exemptions; and be it further

Ordered, that the committee shall complete this study no later than December 1, 1977 and submit to the Legislative Council within the same time period its findings and recommendations, including copies of any recommended legislation in final draft form; and be it further

Ordered, upon passage in concurrence, that a suitable copy of this order shall be forwarded to members of the committee.

" 1817

Cosponsors:

(Carey)

Name:

Town: Waterville

(Davies)

Name:

Town: Orono

(Brenerman)

Name:

Town: Portland

(Immonen)

Name:

Town: W. Paris

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 1613

H. P. 1328

House of Representatives, April 12, 1977

On motion of Mr. Carey of Waterville, referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Davies of Orono.

Cosponsor: Mr. Brenerman of Portland.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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AN ACT to Insure That Low Paid Workers, the Elderly and the Poor of  
Maine are not Taxed at a Higher Rate Than All Other Citizens.

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

Sec. 1. 36 MRSA Pt. 10, c. 1001, is enacted to read.

PART 10

TAX STRUCTURE FAIRNESS

CHAPTER 1001

COMPREHENSIVE TAX REBATE ACT

§ 7101. Title

This chapter may be known as the "Comprehensive Tax Rebate Act of 1977."

§ 7102. Findings and purposes

A. Maine citizens who are low paid workers, who are elderly or who are poor should not bear a relatively heavier tax burden than other Maine citizens; and

B. Equity demands that Maine's total tax structure, the burden of each state and local tax, should not be regressive but should at least be proportional, with each taxpayer shouldering the same relative tax burden.

2. The 3 main purposes of this Act are to:



- A. Establish a comprehensive tax rebate program designed to insure that no family or person, worker, elderly or poor, whose income is below the poverty level in Maine, will pay a greater share of taxes than a family or person at the poverty level;
- B. Place in one, efficient, easily-administered program responsibility for alleviating unfairness or regressivity present in Maine's total state-local tax structure; and
- C. Establish in the Bureau of Taxation the ability and responsibility to report to the Legislature every 2 years on the relative burdens of state and local taxes on the different persons and families in Maine.

#### § 7103. Definitions

As used in this chapter, unless the context indicates otherwise, the following words and phrases shall have the following meanings.

1. Annual income. "Annual income" means the sum of federal adjusted gross income as defined in the Internal Revenue Code of the United States and all nontaxable income, including, but not limited to, the amount of capital gains excluded from adjusted gross income, alimony, support money, nontaxable strike benefits, intrafamily gifts of more than \$500, public assistance and relief, not including relief granted under this chapter, the gross amount of any pension or annuity, including Railroad Retirement Act benefits and veterans disability pensions, all payments received under the federal social security and state unemployment insurance laws, nontaxable interest received from the Federal Government or any of its instrumentalities, workmen's compensation and the gross amount of "loss of time" insurance. Income does not include gifts from nongovernmental sources or surplus foods or other relief in kind supplied by a public or private agency.
2. Poverty level income. "Poverty level income" means poverty level income calculated for different sized Maine families, based on the lowest poverty levels calculated for Maine by the United States Department of Commerce.
3. Progressive tax rate. "Progressive tax rate" means a rate which increases as a person's ability to pay increases; that is, the larger a person's income, the greater the percentage of income which goes toward taxes.
4. Proportional tax rate. "Proportional tax rate" means the rate stays relatively the same at all levels of ability to pay; that is, at each income level the percentage of income which goes toward taxes is the same.
5. Regressive tax rate. "Regressive tax rate" means the rate decreases as ability to pay increases; that is, as income increases, the percentage of income which goes toward taxes decreases.
6. Relative tax burden. "Relative tax burden" means the tax burden on each person, calculated by taking the amount of each tax paid by each income class and taking the sum of these taxes paid as a percentage of that person's adjusted gross income.

#### § 7104. Tax rebate for unfair burdens of state and local taxes

1. Tax rebate. Any eligible resident who files an individual Maine income tax return and who is not a dependent for federal income tax purposes may

claim a rebate for the unfair burden of state and local taxes to which he has been taxable during the year for which the return is filed. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only  $\frac{1}{2}$  of the tax rebate that would have been allowed on a joint return. The first year of taxes for which a rebate may be granted shall be 1978.

2. Personal income tax. While this tax rebate is a comprehensive program designed to lessen the regressivity of the entire state-local tax structure, it shall be administered through the Maine individual income tax system. The rebate shall be taken as a credit against any individual income taxes owed at time of filing by the applicant. If the rebate amount is greater than the taxes owed, the State Tax Assessor shall refund the difference. Even persons owing no income taxes may be eligible for a rebate.

#### § 7105. Tax rebate schedule design

The tax rebate schedule provided for in this chapter shall be designed as follows.

1. Income limit. Each applicant may apply for a rebate if he has an annual income below \$7,500 and if his relative tax burden is greater than the tax burden of a similar person whose income is equal to the poverty level as calculated under this chapter.

2. Dependents. The taxpayer's rebate shall increase according to the number of exemptions he claims for state income tax purposes, up to a limit of 6.

3. Elderly claimant. An elderly claimant who is 62 years of age or older, during the year application is made, may add one additional exemption to any he claims for personal income tax purposes. An elderly claimant may apply for either this chapter's rebate or the refund established in Part 9, The Elderly Householders Tax and Rent Refund Act, whichever is greater.

4. Amount. For each eligible applicant, the rebate shall be equal to an amount calculated to insure that the applicant's relative tax burden is no greater than that of a similar applicant living at poverty level income. If sufficient funds are not appropriated for this chapter, each applicant's appropriated rebate may be decreased proportionately so as to stay within the funds appropriated. The State Tax Assessor shall stagger the payment of any rebate over \$200, with half being paid 6 months after payment of the first half.

5. Restriction. No claim for the tax rebate shall be filed by a resident who was an inmate of a public institution for more than 6 months during the taxable year for which the tax rebate could be claimed or who was not physically present in Maine for at least 6 months during the taxable year for which the tax credit could be claimed.

#### § 7106. Administration

The State Tax Assessor shall be responsible for the following administrative actions:

1. The hiring of a consultant from outside State Government to assist in the calculation of poverty level incomes for different families of Maine, in the

construction of the tax rebate schedules described in subsection 2, paragraph B, and to estimate the relative tax burdens of each tax listed in this Title. These burden estimates shall be expressed in income increments of \$500 for incomes below \$10,000 adjusted gross income and in \$1,000 increments above that figure. They shall be based on:

- A. The yield of each tax levied by the state and local governments;
- B. Distribution of income received by family size for residents of the State;
- C. A distribution of consumer expenditures made by residents of the State; and
- D. Shifting and incidence assumptions with respect to each tax.

In hiring this consultant, emphasis should be given to the consultant's familiarity with Maine living conditions, rural and urban, and to the consultant's availability to periodically update his findings;

2. Rebate schedules. The construction of 2 rebate schedules:

- A. A schedule matching the description in section 7104 and assuming full funding of the rebate's costs; and
- B. A schedule matching the description in section 7104 but reducing, by a proportionate amount, the rebate of each eligible applicant so that it is estimated that no more than \$4 million for any one tax year is distributed in rebates;

3. Current research. The updating every 2 years, beginning August 1, 1980, of the information required in paragraphs A and B. This updating process shall include the following factors:

- A. Any increase in the cost-of-living;
- B. Any increase in the state-local tax burden; and
- C. The effect of inflation on low and middle income families forced to spend more on consumption in order to maintain their standard of living.

The State Tax Assessor may accomplish this updating by hiring an outside consultant, subject to the restrictions of subsection 1, last sentence. The results of this updating shall be reported to the Legislature;

4. Report to the Legislature. The report to the Joint Standing Committee on Taxation the results of subsection 3, paragraphs A, B and C by January 1, 1978; and

5. Regulations. The State Tax Assessor shall establish regulations necessary for the efficient and equitable administration of this chapter.

Sec. 2. Legislative action. The Joint Standing Committee on Taxation shall report during the 2nd regular session of the 108th Legislature a bill providing the tax rebate schedule established by Title 36, chapter 1001, that will result in no more than \$4 million in rebates being distributed for state and local taxes paid during the calendar year 1978. The bill shall be accompanied by a report detailing the tax burden research directed in Title 36, section 7105.

**Sec. 3. Appropriation.** There is appropriated from the General Fund to the Department of Transportation, Bureau of Taxation, the sum of \$60,000 to carry out the purposes of this Act. The breakdown shall be as follows:

1977-78

## FINANCE AND ADMINISTRATION, DEPARTMENT OF

Bureau of Taxation  
All Other

\$60,000

## STATEMENT OF FACT

A \$60,000 appropriation for 1977-78 will be necessary to fund the economic research needed to estimate relative tax burdens and to construct the rebate schedule of this bill which ensures that low paid workers, the elderly and the poor of Maine are not taxed at a higher rate than all other citizens. For fiscal year 1978-79, a \$4 million appropriation will be necessary to fund the comprehensive tax rebate program.

## 1. Introduction

The comprehensive tax rebate program established by this bill is intended to lessen for lower and middle income persons the overall regressivity of the total state-local tax structure. It does this by calculating the regressive burden, if any, of each state-local tax and then establishing a single rebate formula that insures that no Maine family or person below the poverty level, worker, elderly or poor, will pay a greater share of taxes than a similar family or person whose income equals the poverty level. Although it is a partial reimbursement for taxes of all types, property taxes, sales taxes, etc., for efficiency and convenience, it is administered through the state income tax system.

A very important by-product of this bill will be the economic research, to be updated every 2 years, that will calculate:

- A. Poverty level income for different types of Maine families;
- B. Distribution of income received by family size for residents of the State;
- C. A distribution of consumer expenditures made by residents of the State; and
- D. Shifting and incidence assumptions with respect to each state tax.

Such information will provide the Legislature with a continuing and an up-to-date picture of the impact of our taxes.

## 2. Regressivity of the Maine tax structure

While the precise regressivity of each state or local tax will be calculated under the provisions of this bill, it is possible to see the general regressivity of Maine taxes. In 1975 the Kentucky Department of Revenue<sup>1</sup> analyzed the total family tax burdens in each state. The results for Maine in 1974 were:

<sup>1</sup> This analysis was completed before the recent \$18 million (progressive) income tax increase. It was based on the following taxes: income, sales, property (residential), motor vehicle, cigarette.

Family of Four (Adjusted Gross Income)	Percent of Income Paid in Taxes
A. \$5,000	13.6%
B. \$7,000	11.5%
C. \$10,000	9.7%
D. \$17,000	9.2%
E. \$25,000	8.3%
F. \$50,000	7.8%

### 3. The New Mexico experience

The comprehensive tax rebate approach to solving the overall regressivity of a state's tax structure was pioneered by New Mexico. Since Maine and New Mexico are quite similar in terms of population, tax burden and per capita income,<sup>2</sup> it is instructive to look briefly at New Mexico's experience with this program.

Since it was first implemented in 1972, New Mexico's comprehensive tax rebate has grown from a \$1.2 million program to, in fiscal year '75-76, a \$5.37 million program. Several times the New Mexico Legislature has expanded the eligibility and adjusted the formula due to increased costs of living. A comparison of the 1972 program and the 1976 program shows:

#### New Mexico Comprehensive Tax Rebate 1972 and 1976

	1972	1976
A. Total rebates	\$ 1.55 million	\$ 5.37 million
B. Acreage rebate	\$41.38	\$86.74
C. No. of returns	37,000	61,865
D. Percentage of Personal Income Tax returns receiving the rebate	10.01%	14.9%

Further, it is instructive to see what types of New Mexico citizens (workers, elderly, poor) took advantage of the rebate:

#### 1974 New Mexico Comprehensive Tax Rebate Returns by Sources of Income

Major source of Income	Returns processed (%)
A. Wages and salaries	30.5%
B. Social security	34.4%
C. Public assistance	25.8%
D. Other	9.3%

Finally, 2 federal studies have commented on the New Mexico credit. A 1975 report, sponsored by the U.S. Department of Housing and Urban Development states:

<sup>2</sup> Per capita income in New Mexico in 1973 was even lower than Maine's — \$3,853 (N.M.) to \$4,082 (Me.). In 1974 in state taxes per \$1,000 of income, Me. had the 3rd heaviest burden in the country, New Mexico had the 13th heaviest.

[The New Mexico mechanism] is a flexible one and offers attractive administrative advantages. . . . Because the comprehensive credit condenses many of the other tax credits currently being used by the states to reduce regressivity (property tax, renters, food tax and sales tax credits) into a single, efficient, easily administered formula, it has great promise for both New Mexico and other governments that select this approach.

Another 1975 report, by the U.S. Advisory Commission on Intergovernmental Relations states:

Programs like the New Mexico [comprehensive tax rebate], if properly funded and administered, are potentially the most powerful tools yet tried for providing broad-based relief to low- and moderate-income families. . . .

## APPENDIX C

### MAINE TAX BURDENS

This Appendix is devoted to materials which show the burden of Maine taxes. It contains the following materials:

1. Summary of Maine State and Local tax burdens

Compares Maine tax burdens with the burdens in other states

2. Family tax burden differences among the States

A study which analyzes the burden of different personal taxes on different sized families. It shows the specific degree of regressivity present in Maine family taxes

3. A short profile of Maine's poor

Attempts to describe the specific living conditions of poor persons in Maine

4. Adjusted gross incomes of Maine taxpayers

Shows the percentage of Maine citizens present in 32 different income brackets

5. Pechman and Okner study of national tax burdens

6. 1976-77 State-Local tax structure.

SUMMARY OF MAINE  
STATE AND LOCAL TAX BURDENS  
(Source: U.S. Department of Commerce)

1. State and Local Tax Collections Per \$1,000, Personal Income for Fiscal Years 1970-74

<u>Year</u>	1970	1971	1972	1973	1974
<u>Maine:</u>	\$126.44	127.45	141.68	142.36	149.07

Maine's rank in the nation: 3rd heaviest (in 1970 it was 12th)

2. Percentage of Personal Income Remaining After State and Local Taxes, 1974

Maine: 86.98%: 46th heaviest in the nation

3. Per Capita Property Tax Collections, Fiscal Year 1974

Maine: \$280.88, 8th heaviest in the nation

4. Property Tax Collections Per \$1,000 Personal Income, Fiscal Year 1974

Maine: \$70.09, 2nd heaviest in the nation

5. Per Capita Sales Tax Collections, Fiscal Year 1974

Maine: \$126.72, 16th heaviest in the nation

6. Sales Tax Collections Per \$1,000 of Personal Income, Fiscal Year 1974

Maine: \$31.62, 10th heaviest in the nation

7. Per Capita State Individual Income Tax Revenue, Fiscal Year 1974

Maine: \$37.28, 38th heaviest in the nation

8. State Individual Income Tax Revenues Per \$1,000 of Personal Income, Fiscal Year 1974

Maine: \$9.30, 38th heaviest in the nation



### FAMILY TAX BURDENS

In 1975 Professor Stephen E. Lile of Western Kentucky University studied the regressivity of each state's personal taxes. His results for Maine were:

MAINE FAMILY TAX BURDENS, BY TYPE OF TAX							Percentage
Family of four (Adjusted gross income)	Individual Income State	General Sales State	Residential <sup>1/</sup> Property	Motor Vehicles	Cigar- ette Tax	Total Tax Burden	
A. \$ 5,000	\$ 0	\$ 89	\$ 392	\$ 133	\$ 60		13.6%
B. 7,500	14	118	525	133	60		11.5%
C. 10,000	39	144	574	133	60		9.7%
D. 17,500	228	211	980	199	60		9.2%
E. 25,000	674	250	1225	199	60		8.3%
F. 50,000	2788	363	2100	199	60		7.8%

This finding, that the poorest people in Maine pay the highest percentage of their income in taxes, is enforced by the State Planning Office's conclusion that over the years 1967-1973 the Maine household in the top quarter income brackets gained \$600 more in constant purchasing power than did the bottom 25%. See State Planning Office, Profile of Poverty - Maine: A Data Source 5 (1975). This chart does not reflect the recent increase in the state income tax. This increase fell mainly on upper income taxpayers. However, it is important to remember that upper income persons, who usually itemize their expenses for federal tax purposes, can deduct state taxes from their federal taxable income. Thus, such tax increases are considerably less onerous than they appear (e.g., a taxpayer in the 50% federal tax bracket bears only 50% of any state increase). The following is a condensed version of Professor Lile's report which was published in State Government (Winter, 1975):

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<sup>1/</sup> Property tax estimates are based on these income/house value parings: \$5,000/14,000; \$7,500/\$18,750; \$10,000/\$20,500; \$17,500/\$35,000; \$25,000/\$43,750; \$50,000/\$75,000.

# A PROFILE OF MAINE'S POOR

## 1. Introduction

It is very difficult to prepare a condensed, easy to grasp picture of Maine's poor. Yet, some sort of understanding of their lives is essential if the question of what is or is not a fair tax burden is to be tackled.

Thus, the profile will attempt a general picture of Maine's poor and then attempt to glimpse the reality of their lives by a close examination of Maine housing conditions. Cost of housing is crucial to the question of fair tax burdens. Property taxes are one of the most onerous burden on Maine's poor. For example, in 1974 Maine had the 2nd heaviest burden in the nation as to property taxes per \$1,000 of personal income (\$70.09).

## 2. General profile of Maine's poor

The following three descriptions offer an insight into the monetary condition of Maine's poor (see also this chapter analyses of how many Mainer's are in each income bracket).

### A. Income and Prices

This section provides information about household and personal incomes for Maine and its counties through Calendar Year 1973 and cost of living changes in the U.S. and the Northeast through June 1974. Income data collected in the 1970 U.S. Census and reported in earlier editions of Profile Of Poverty follow the more recent income and price information. For income data related to specific topics see also EMPLOYMENT, EDUCATION, SOCIAL PROGRAMS AND POTENTIAL CLIENTS, HOUSING and CITIZEN OPINION.

Incomes in Maine continue to lag behind those in the rest of New England and the nation. Maine's per capita income was \$400 less than the U.S. and \$600 less than the New England figures in 1960. These differentials had increased by 1973 to \$1,000 and \$1,100 respectively. Median after-tax household incomes in Maine, the U.S. and New England were \$8,600, \$9,600 and \$10,100 in 1973. One quarter of Maine households had after-tax incomes less than \$5,330 while one quarter had incomes above \$13,070. This \$7,700 difference between the top and bottom quarter was greater than the 1967 difference of \$5,100. Even after taking inflation into account, the top quarter of households gained \$600 more in constant purchasing power than did the bottom 25%. Median after-tax household incomes of counties varied from a low of \$6,000 in Washington County to a high of \$9,600 in Cumberland.

Inflation has become a serious problem. Consumer prices rose an average of 47% in the urban Northeast from 1967 to June 1974. Prices for food and housing, the biggest items in the budgets of the poor, rose faster than other goods and services. U.S. Consumer prices for heating fuel and gasoline, two other items for which the poor spend a proportionately greater share of their incomes, rose by 114% and 67%. After taking into account those increases, median income in Maine increased only \$90 in purchasing power between 1967 and 1974.

B. Poverty incomes in Maine

<u>Size of family unit</u>	<u>Nonfarm family</u>	<u>Farm family</u>
1	\$2,970	\$2,550
2	3,930	3,360
3	4,890	4,170
4	5,850	4,980
5	6,810	5,790
6	7,770	6,600

For family units with more than 6 members, add \$960 for each additional member in a nonfarm family and \$810 for each additional member in a farm family.

- from Department of Labor (1977)

C. Maine incomes by household

In analyzing the data, estimations to the general population, and number of households have been made based on data presented to the Social Science Research Institute by the State Planning Office and the Maine State Housing Authority. These estimations are presented below:

TOTAL HOUSEHOLDS IN MAINE, 1975		321,029
Tenure: Homeowners	69.7%	223,757
Renters	22.7%	72,874
Mobile Homes	7.6%	24,398
Income: Low (\$0 - \$7,000)	32.2%	103,371
Medium (\$7 - \$15,000)	48.4%	155,378
High (\$15,000 +)	19.4%	62,280
ESTIMATED TOTAL POPULATION, 1975		1,026,000
Income: Low (\$0 - \$7,000)	32.2%	330,372
Medium (\$7 - \$15,000)	48.4%	496,584
High (\$15,000 +)	19.4%	199,044

- from Maine Human Services Council  
(1977)

### 3. Maine housing conditions

By looking closely at Maine housing conditions, we can begin to understand what it is like to be poor in Maine. First, we examine a composite profile provided by the administrators of Maine's Project Fuel:

#### PROJECT FUEL II COMPOSITE PROFILE OF CLIENT SERVED

The typical Project FUEL II family had a male head of household between the ages of 31 and 50 years of age with a wife and 1 or 2 children under 18. The family head was unemployed with the family income under \$5,000/year, and the family was receiving food stamps. The family was living in their own home valued at less than \$5,000 and paid over \$50/month for utilities.

The house had 5 rooms, incomplete plumbing, a basement foundation and a central hot air furnace and/or stove which burned fuel oil. Over 1,200 gallons of fuel oil were burned during the previous heating season (fall '74-spring '75) which translates to between \$400-\$500 at the prevailing prices.

Project FUEL II provided approximately \$75 worth of insulating materials which required fewer than 10 hours for installation.

Next, for a more comprehensive picture, we turn to the House Services Council 1977 report. Maine's Hidden Poor In Substandard Housing.

#### HOUSING NEEDS IN MAINE

##### Serious Housing Maintenance Problems:

There are an estimated 122,633 (38.2 percent) households in Maine with one or more serious home maintenance problems.<sup>1</sup> These problems include need for roof repair, outside painting, the presence of dry rot, cracked basement walls, defective heating systems and sagging buildings. Of those households which have two or more home maintenance problems, 27,467 (46.5 percent) are those with total family incomes of less than \$7,000 compared with 25,577 (43.3 percent) whose total family incomes are between \$7,000 and \$15,000, and 6,025 (10.2 percent) with total family incomes of \$15,000 and above.

Generally, those households which have major maintenance problems have had them for a long time. For instance, the present data show that:

- \* 42,954 (89.8 percent of) households needing insulation have had this condition for 4 or more years;
- \* 18,472 (82.2 percent of) households having structural sags have had these sags for 4 or more years;
- \* 12,759 (73.6 percent of) households having dry rot have had this condition for 4 or more years;
- \* 7,494 (66.7 percent of) households with cracked basement walls have had these conditions for 4 or more years;
- \* 8,411 (65.5 percent of) households with defective heating systems have had this condition 4 or more years;
- \* 5,834 (46.6 percent of) households needing plumbing repair have had the problem 4 or more years;
- \* 5,778 (40.0 percent of) households needing chimney repair have had this problem 4 or more years;
- \* 8,270 (27.7 percent of) households needing roof repair have had the problem for 4 or more years;
- \* 15,788 (26.3 percent of) households needing outside painting have had the problem 4 or more years.

In summary, for those in Maine who have serious home maintenance problems, these problems have existed for long periods of time and are not simply cosmetic or minor. In fact, the latter kinds of problems, including outside painting and cracked windows, are problems existing for less time than major structural problems.

#### Relationship of Income to Existence of Maintenance Problem:

The housing needs of Maine people are dramatically related to their incomes. As Table I indicates, home maintenance problems, both cosmetic and major, are more likely to be found in low income households. The reason low income people report not making necessary repairs is primarily lack of financial means.

Existing housing problems are not evenly distributed among homeowners, renters and apartment dwellers. The fewest number of housing concerns are presented by mobile home dwellers; the greatest number by renters. These data are affected, no doubt, by the fact that over 50 percent of mobile homes in Maine have been purchased since 1971.<sup>2</sup>

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\* The percentage referred to represents the percentage of all households with this defect which have had it for four or more years.

Housing Problems Existing Four Years or More  
Broken Down by Income Group by Percent of the  
Sample Having Problem Four or More Years and  
Projected Number of Households

Housing Need Identified by Income Group	% of Sample Under \$7,000	Projected Number of Households	% of Sample \$7,000-15,000	Projected Number of Households	% of Sample \$15,000 +	Projected Number of Households
*Walls Need Insulation	87.5%	17,969	94.8%	20,415	92.7%	4,908
*Sagging Building	85.0%	8,769	88.2%	7,978	60.0%	1,795
Heating System	72.0%	4,391	55.0%	2,478	75.0%	1,682
*Dry Rot	68.4%	6,664	80.0%	5,169	50.0%	576
**Basement Cracks	60.0%	3,070	80.0%	1,733	100.0%	651
Plumbing	46.6%	3,324	49.0%	2,741	50.0%	374
*Chimney Repair	44.4%	2,248	38.5%	2,929	---	0
Outside Painting	36.6%	10,064	19.3%	5,068	18.8%	1,698
Roof Repair	32.3%	5,309	21.4%	2,893	20.0%	448
Windows Broken	22.2%	2,432	22.2%	2,001	---	0

\*Mobile homes not included in tabulation.

\*\*Mobile homes nor renters included in tabulation.

Houses Lacking Basic Facilities:

Low income people living in Maine are much more likely to lack the basic facilities that are associated with standards of adequate housing than are the general population. For instance, over 7,236 low income households (7.0 percent) do not have hot and cold running water compared with less than 2% of the remaining households in this state; another 3,825 low income households (3.7 percent) do not have flush toilets; 2,274 low income households (2.2 percent) lack complete kitchens, including a range, water, and refrigerator while no households with incomes of over \$7,000 per year reported lacking these facilities.

Central heat, a housing comfort expected by nearly all Maine residents, is significantly less available in low income households where 17,056 (16.5 percent) do not have central heating.

In sum, comparing the responses of low income and the general population, low income households are significantly less likely to have basic housing facilities than the general population. These differences are presented in Table II.

Housing Facility Lacked	% Low Income Not Having a Basic Facility	Projected Total Households Not Having Basic Facility	% General Population Not Having Basic Facilities
Complete Kitchen	2.2	2,274	0.7
Flush Toilet	3.7	3,825	1.6
Hot and Cold Water	7.0	7,236	3.2
Central Heat	16.5	17,056	8.0

That low income houses are less likely to have basic facilities is consistent with the fact that low income people live in the older houses in Maine.

Costs of Housing in Maine:

The total annual cost of housing in Maine, based upon cost of mortgage, repairs and maintenance, taxes, heating, electricity and water and sewer (not including insurance costs) amounts to \$2,310 per year or \$192.50 per month.

Table III  
Comparison of Economic Status  
and Expenditures for Total Housing Costs

Total Housing Costs	Economic Status					
	Under \$7,000		\$7-15,000		\$15,000 and over	
	% of Sample in Each Expenditure Group	Number of Households in Each Expenditure Group	% of Sample in Each Expenditure Group	Number of Households in Each Expenditure Group	% of Sample in Each Expenditure Group	Number of Households in Each Expenditure Group
Up to \$1,599	41.1	42,485	20.7	32,163	15.4	9,591
\$1,600 to \$2,309	30.5	31,528	22.9	35,582	20.9	13,017
\$2,310 to \$3,355	16.8	17,366	30.7	47,701	22.0	13,702
\$3,356 and over	11.6	11,991	25.7	39,932	41.8	26,033



1975 Tax Year

7084

STATE OF MAINE - BUREAU OF TAXATION  
INDIVIDUAL MAINE ADJ GROSS INCOME 08/31/76

			MJ TAX PAID		MS TAX PAID		S TAX PAID	NON-RES	TAX PAID
I	NEGATIVE	0	0.00		0.00	0	0.00	0	0.00
M	0.00	2,261	0.01	104	0.00	1,402	0.00	1,163	0.00
C	0.00 - 1,999.99	5,691	0.00	1,379	2,115.74	39,186	67,041.78	3,687	3,967.85
O	2,000.00 - 2,999.99	5,446	4,823.74	755	5,726.53	17,069	188,230.42	1,679	18,770.41
M	3,000.00 - 3,999.99	6,651	25,819.62	631	9,662.69	14,487	280,266.28	1,278	15,722.24
E	4,000.00 - 4,999.99	8,260	70,804.87	690	20,296.15	13,688	467,918.72	1,227	26,380.35
	5,000.00 - 5,999.99	9,643	142,027.94	661	29,570.13	12,931	649,349.81	1,386	39,835.35
	6,000.00 - 6,999.99	10,802	235,810.21	536	32,724.73	10,090	678,476.30	1,042	38,783.96
P	7,000.00 - 7,999.99	11,647	363,916.63	541	47,123.00	8,172	725,265.63	1,812	58,121.86
A	8,000.00 - 8,999.99	12,512	529,765.11	327	48,915.01	6,351	711,121.09	997	68,850.61
M	9,000.00 - 9,999.99	12,971	718,664.97	246	32,143.82	4,809	648,529.93	941	71,202.44
G	10,000.00 - 10,999.99	13,213	913,225.08	157	21,716.43	3,508	556,111.08	766	67,240.32
E	11,000.00 - 11,999.99	13,310	1,106,851.21	105	17,305.49	2,675	498,471.83	679	73,588.48
	12,000.00 - 12,999.99	12,708	1,300,197.46	70	13,882.00	2,053	438,808.15	774	188,819.30
	13,000.00 - 13,999.99	11,876	1,437,940.90	61	13,771.68	1,458	362,745.48	788	112,965.31
	14,000.00 - 14,999.99	10,923	1,552,801.90	48	13,142.68	1,123	315,985.50	542	91,176.18
	15,000.00 - 15,999.99	9,603	1,577,054.79	29	8,167.48	819	255,173.49	429	82,494.78
	16,000.00 - 16,999.99	8,497	1,594,252.83	21	5,722.81	625	212,488.17	352	78,406.39
	17,000.00 - 17,999.99	7,254	1,525,988.98	27	8,315.42	458	172,688.35	278	65,934.59
	18,000.00 - 18,999.99	5,839	1,385,103.96	15	5,741.62	343	143,234.33	232	59,329.05
	19,000.00 - 19,999.99	5,058	1,318,904.67	8	3,435.59	268	119,952.16	199	55,453.25
	20,000.00 - 22,499.99	8,734	2,666,456.46	20	8,924.12	417	210,409.45	329	184,180.69
	22,500.00 - 24,999.99	5,364	1,975,115.65	15	7,545.74	278	165,148.32	215	82,015.80
	25,000.00 - 27,499.99	3,398	1,499,584.93	8	5,480.42	192	131,734.77	121	53,833.88
	27,500.00 - 29,999.99	2,252	1,173,001.68	3	2,170.32	167	123,949.96	88	45,889.13
	30,000.00 - 34,999.99	2,466	1,589,747.67	20	16,540.33	181	158,978.96	94	63,929.17
	35,000.00 - 39,999.99	1,435	1,168,158.96	7	2,501.60	95	105,761.82	58	42,153.43
	40,000.00 - 44,999.99	426	917,530.35	4	6,624.34	72	89,464.81	32	35,871.56
	45,000.00 - 49,999.99	623	729,229.46	1	1,721.87	61	87,381.77	22	25,162.60

50,000.00 - 99,999.99	1,497	2,477,454.59	2	7.36	128	252,916.20	60	91,513.3
75,000.00 - 99,999.99	478	1,306,055.75	3	10,979.88	54	173,925.70	38	95,664.59
100,000.00-124,999.99	179	687,002.94	1	4,189.12	18	64,700.46	21	75,031.85
125,000.00-149,999.99	86	445,230.16	0	0.00	6	32,302.80	9	50,360.02
150,000.00-174,999.99	49	323,726.88	0	0.00	5	36,494.87	3	22,951.00
175,000.00-199,999.99	27	215,164.47	0	0.00	0	0.00	3	24,240.44
200,000.00-224,999.99	14	132,650.50	0	0.00	4	37,219.61	2	19,569.50
225,000.00-249,999.99	11	98,488.15	0	0.00	1	10,416.41	0	0.00
250,000.00-274,999.99	2	22,405.69	0	0.00	1	15,375.58	1	13,878.48
275,000.00-299,999.99	4	49,290.22	0	0.00	0	0.00	0	0.00
300,000.00-324,999.99	4	55,189.30	0	0.00	0	0.00	1	9,215.08
325,000.00-349,999.99	1	9,709.46	0	0.00	0	0.00	0	0.00
350,000.00-374,999.99	3	55,156.25	0	0.00	0	0.00	0	0.00
375,000.00-399,999.99	2	42,692.54	0	0.00	1	13,912.01	1	17,445.42
400,000.00-424,999.99	2	40,876.96	0	0.00	1	22,794.82	1	21,644.00
425,000.00-449,999.99	0	0.00	0	0.00	0	0.50	0	0.00
450,000.00-474,999.99	1	26,121.62	0	0.00	0	0.00	1	11,779.27
475,000.00-499,999.99	1	25,257.02	0	0.00	0	0.00	0	0.00
500,000.00- UP	4	133,188.95	1	38,462.54	1	109,191.88	5	148,683.98
<b>TOTALS</b>	<b>211,407</b>	<b>33,659,601.39</b>	<b>6,491</b>	<b>428,096.37</b>	<b>143,908</b>	<b>9,353,929.82</b>	<b>20,446</b>	<b>2,148,858.84</b>

TOTAL COUNT	382,247
RES ONLY COUNT	361,801
PART YEAR RES	7,724
NON-RES	12,457
RESIDENTS	362,066
NONRES EXEMPTS	35,389
PART RES EXEMPTS	18,465
RES EXEMPTS	958,956
<b>TOTAL EXEMPTS</b>	<b>1,012,801</b>

Pechman and Okner Study  
of the 1966 MERGE Data File

The most comprehensive, yet dated, study of tax burdens was done by Pechman and Okner in the 1974 study, Who Bears the Tax Burden (Brookings Institution). This study was unique in that it was based on a 1966 data base, the MERGE computer file. The complexity of estimating tax incidence (burden) is indicated by the fact that Pechman and Okner felt compelled to use 8 different incidence assumptions. The chart below is based on incidence (burden) assumptions Variant 1c and Variant 3b. Variant 1c produced the most progressive distribution of tax burdens; Variant 3b produced a slightly regressive distribution. What are these incidence assumptions? Pechman and Okner explain:

The crucial factors in determining the degree of progressivity in the tax system as a whole are the assumptions made with respect to the incidence of the *corporation income tax* and the *property tax*. If it is assumed that these are taxes on corporate stockholders and owners of property (Variant 1c), they are highly progressive. The corporation income tax rises from about 2 percent of income at the bottom of the income scale to almost 26 percent at the top; the property tax rises from about 2.5 percent to 10 percent.<sup>18</sup> Assuming that half of the corporation income tax is a tax on consumption and that the property taxes on improvements are taxes on shelter and consumption (Variant 3b), progressivity virtually disappears. Since the ratio of total consumption and housing expenditures to annual income falls as incomes rise, the burden of the corporation income tax under Variant 3b is U-shaped, while the property tax is regressive throughout the income scale. Together these two taxes amount to only 10.6 percent of income for families with incomes above \$1,000,000 under Variant 3b, as compared with a total of 35.8 percent under 1c.

**TABLE 4-8. Effective Rates of Federal, State, and Local Taxes, by Type of Tax, Variants 1c and 3b, by Adjusted Family Income Class, 1966**  
*Income classes in thousands of dollars; tax rates in percent*

Adjusted family income	Individual income tax	Corporation income tax	Property tax	Sales and excise taxes	Payroll taxes	Personal property and motor vehicle taxes	Total taxes
<b>Variant 1c</b>							
0-3	1.4	2.1	2.5	9.4	2.9	0.4	18.7
3-5	3.1	2.2	2.7	7.4	4.6	0.4	20.4
5-10	5.8	1.8	2.0	6.5	6.1	0.4	22.6
10-15	7.6	1.6	1.7	5.0	5.8	0.3	22.8
15-20	8.7	2.0	2.0	5.2	5.0	0.3	23.2
20-25	9.2	3.0	2.6	4.6	4.3	0.2	24.0
25-30	9.3	4.6	3.7	4.0	3.3	0.2	25.1
30-50	10.4	5.8	4.5	3.4	2.2	0.1	26.4
50-100	13.4	8.8	6.2	2.4	0.7	0.1	31.5
100-500	15.3	16.5	8.2	1.5	0.3	0.1	41.8
500-1,000	14.1	23.0	9.6	1.1	0.1	0.2	48.0
1,000 and over	12.4	25.7	10.1	1.0	<sup>a</sup>	0.1	49.3
All classes <sup>b</sup>	8.5	3.9	3.0	5.1	4.4	0.3	25.2
<b>Variant 3b</b>							
0-3	1.2	6.1	6.5	9.2	4.6	0.4	28.1
3-5	2.8	5.3	4.8	7.1	4.9	0.4	25.3
5-10	5.5	4.3	3.6	6.4	5.7	0.3	25.9
10-15	7.2	3.8	3.2	5.6	5.3	0.3	25.5
15-20	8.2	3.8	3.2	5.1	4.7	0.3	25.3
20-25	9.1	4.0	3.1	4.6	4.1	0.2	25.1
25-30	9.1	4.3	3.1	4.0	3.6	0.2	24.3
30-50	10.5	4.7	3.0	3.5	2.6	0.2	24.4
50-100	14.1	5.6	2.8	2.4	1.3	0.1	26.4
100-500	18.0	7.4	2.4	1.7	0.7	0.1	30.3
500-1,000	17.7	9.0	1.7	1.4	0.4	0.2	30.3
1,000 and over	16.6	9.8	0.8	1.3	0.3	0.2	29.0
All classes <sup>b</sup>	8.4	4.4	3.4	5.0	4.4	0.3	25.9

Source: Computed from the 1966 MERGE data file. For an explanation of the incidence variants, see Table 3-1. Note: Variant 1c is the most progressive and 3b the least progressive set of incidence assumptions examined in this study.

<sup>a</sup> Less than 0.05 percent.

<sup>b</sup> Includes negative incomes not shown separately.

Pechman and Okner explain the significance of this chart:

The *individual income tax* is distributed in the same way under both sets of incidence assumptions. (See Table 3-1.) Revenue from this source accounts for about one-third of all 1966 taxes, and this obviously has an important influence on the distribution of tax burdens. The individual income tax is progressive over virtually the entire income scale, but it becomes regressive at the very top. This pattern reflects the fact that in the highest income classes a rising portion of total income as defined in this study is not subject to income tax at either the federal or the state level.<sup>16</sup> The individual income tax imposes the heaviest burden—15.3 percent of adjusted family income under Variant 1c and 18.0 percent under 3b—on incomes between \$100,000 and \$500,000. (See Table 4-8.)

The differences in the effective rates of individual income tax at the same income level are due entirely to the different definitions of income used in the two sets of assumptions. Under Variant 1c, the corporation income tax and the property tax on improvements are included in adjusted family incomes of stockholders and property income recipients; under Variant 3b, half the corporation income tax and the entire property tax on improvements are regarded as indirect taxes and are distributed among all family units in calculating adjusted family income.<sup>17</sup> As a consequence, stockholders and property income recipients have much higher adjusted family incomes under Variant 1c than under 3b, and the burden of the individual income tax relative to incomes at the top of the income scale (where dividends and other property incomes are large) is reduced.

*Sales and excise taxes* are clearly regressive throughout the entire income scale. They begin at over 9 percent of income at the bottom and decline to about 1 percent at the top, reflecting the fact that the proportion of family income spent on goods and services subject to tax falls as income rises.

*Payroll taxes* are progressive for families with incomes up to about the \$10,000 level, where they reach a maximum of about 6 percent and then become regressive. The progressivity of payroll taxes at the lower end of the income scale reflects two facts: (1) a large proportion of income received by very low-income units—mainly transfer payments—is not subject to these taxes; and (2) many low-income workers are in jobs that are not covered by the employment tax system. Payroll taxes are regressive above \$10,000 because they are levied at a flat rate up to a maximum amount of annual taxable earnings; above this level, the tax accounts for a declining percentage of income. In Variant 3b half of the employer payroll tax is assumed to be shifted to the consumer through higher prices. Thus the effective payroll tax rate at the two ends of the distribution is increased as compared with Variant 1c.

*Personal property taxes and motor vehicle licenses* are regressive at the lower end of the income scale and proportional or slightly progressive in the higher classes. The effect of these taxes on relative tax burdens is small because they amount to no more than 0.4 percent of income throughout the income scale.

1975-76 STATE - LOCAL TAX STRUCTURE\*

<u>Tax</u>	<u>Revenue</u>	<u>Approximate Percentage of Total Tax Revenue</u>	
Property:			
State Property (includes Uniform Property Tax - \$120 million)	\$ 132,139,539.15	19	%
Municipal Property	100,935,944.00 **	14	%
Municipal Auto Excise Tax	22,507,798.00 **	3	%
Municipal Inventory & Livestock	12,595,344.00 **	2	%
Spruce Budworm Tax	2,837,259.00	.2	%
<u>Total Property Taxes</u>	<u>\$ 271,015,884.15</u>	<u>39</u>	<u>%</u>
State Sales	151,335,808.52	22	%
Personal Income <u>1/</u>	52,266,430.03	7.3	%
Unemployment Compensation Tax	35,537,656.00	5	%
Corporate Income	32,642,106.92	5	%
Highway Fund	52,283,138.51	7.3	%
Alcoholic Beverage Operations	22,933,750.01	3	%
Motor Vehicle License & Registration	22,128,483.95	3	%
Cigarette	23,935,432.43	3.4	%
Others ***	37,369,389.26	5	%
 Total:	 \$ 701,448,079.73	 100	 %

\* All figures from State Bureau of Taxation - Property Tax Division and State Controller's Fiscal 1975-76 computer data.

\*\* 1975 figures used as 1976 data unavailable.

\*\*\* Other taxes include:

Inheritance	\$ 7,361,635.75
Milk taxes	509,528.98
Corporation Regulatory Taxes	516,532.19
Public Utility Taxes	10,282,860.86
Insurance Co. Taxes	8,369,557.92
Bank Taxes	211,470.16
Game License Taxes	91,893.01
Harness Racing Pari-Mutual	1,300,890.84
Service Oriented Licenses	2,053,916.07
Fishing & Game Licenses	4,649,401.75
Mis. License Fees	2,021,701.73
 TOTAL:	 \$ 37,369,389.26

1/ Due to an income tax increase by the 107th Legislature, in 1977 the personal income tax will be raising approximately \$18 million more than in 1975. If this increase is added to the tax mix, then the relationship of our three broad based taxes is changed accordingly:

Total property taxes	38%
Personal income tax	10%
Sales tax	21%

STATE-MUNICIPAL TAX MIX  
Fiscal Year 1976-77

	1976-77 Total revenues	Percentage of total tax revenues	
		1975-76%	1976-77%
Property Taxes: <sup>1/</sup>			
Property Assessments	\$ 246,060,871 <sup>2/</sup>	(33%)	(31%)
Auto Excise Taxes	26,561,258 <sup>2/</sup>		
Inventory and Livestock Taxes	13,884,914 <sup>2/</sup>		
Maine Tree Growth Tax	7,237,172		
Spruce Budworm Tax	2,055,050		
Total Property Taxes	\$ 295,799,265	39 %	37.3%
Sales Tax	169,664,878	22 %	21.3%
Individual Income Tax	75,157,185	7.3%	9.4%
Corporate Income Tax	35,200,308	5 %	4.4%
Unemployment Compensation Tax	42,728,233	5 %	5.3%
Gasoline & Other Highway Taxes	55,292,831	7.3%	6.9%
Motor Vehicle Registration and Divers Licenses	23,042,851	3 %	2.9%
Cigarette Taxes	24,296,239	3.4%	3 %
Public Utilities Tax	12,027,254	1.4%	1.5%
Inheritance and Estate Taxes	8,040,815	1 %	1 %
Insurance Taxes	9,190,012	1.1%	1.1%
Inland Hunting, Fishing & Related Licenses	5,055,521	.7%	.6%
Commission on Pari-Mutuel	1,242,450	.1%	.1%
Other Taxes <sup>3/</sup>	7,067,148		.8%
Total:	\$ 792,702,406 <sup>4/</sup>		

Total Operating Fund Tax Revenue Per Controller's Financial Report	\$ 482,292,337
Unemployment Compensation Tax (above)	(42,728,233)
Net Income transferred from the Bureau of Alcoholic Beverages	25,545,295 (3.2% of total)
Inspection and Other Services Fees	3,352,111 (.4% of total)
Total reported to U.S. Department of Commerce	\$ 468,461,510

<sup>1/</sup> 1976 assessment year

<sup>2/</sup> Includes money raised for municipal expenses (e.g., Uniform Property Tax in support of education).

<sup>3/</sup> "Other taxes" includes the following levies:

- Real Estate Transfer
- Milk Taxes
- Business Filing Taxes
- Bank Taxes
- Amusement Taxes
- Miscellaneous Business Taxes & Licenses
- Snowmobile Taxes
- Potato Tax
- Sardine Tax
- Highway Permits
- Motor Vehicle Inspections
- Dog Licenses
- Other Taxes and Licenses

<sup>4/</sup> Total for 1975-76 was \$701,448,079.73