

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
TAXATION
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE
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JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD

1

AN ACT PROVIDING CONFORMITY WITH THE UNITED STATES INTERNAL REVENUE CODE UNDER THE MAINE INCOME TAX LAW FOR 1986

PL 1987
c. 4
EMERGENCY

Sponsor: CASHMAN, Mayo
Committee Report: OTP

SUMMARY: This bill contains the following provisions:

1. Conformity. This bill provides conformity with the federal tax code for 1986 tax years only. Some of the provisions in the new federal law are retroactive and apply to 1986 taxes. Most do not take effect until after 1987. Conformity for future years is covered under LD 1413.

2. Tax Adjustment Reserve Fund. The bill sets up a Tax Adjustment Reserve Fund and requires that increased State revenues resulting from conformity will be transferred to that Fund. The contents of the Fund are intended to be available for future use to adjust the State tax structure to alleviate the impact of conformity with federal tax reform.

3. Fiscal impact. Conformity for 1986 is estimated to result in a net increase in State revenue of \$540,000. Most of the increased revenue is the result of changes in the treatment of State and federal pensions.