

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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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
735

AN ACT TO MAKE ADJUSTMENTS IN THE STATE TAX
STRUCTURE AS A RESULT OF FEDERAL TAX REFORM

CARRY-OVER

Sponsor: CASHMAN, Mayo, Swazey, Twitchell
Committee Report: CARRY-OVER

SUMMARY: This bill was held over by the Committee.

This bill provides for conformity of Maine's income tax law with the federal Internal Revenue Code of 1986. It also provides a system for returning to taxpayers the increased state revenues resulting from conformity. The return of revenues is accomplished for individual taxpayers by increasing the personal exemption and standard deduction to equal their federal levels and imposing a surcharge. Increasing the personal exemption and standard deduction recognizes the federal policy of removing low income taxpayers from the tax rolls. It also eases the difficulties of enforcing the tax against persons not required to file on the federal level. A surcharge is imposed to retain the current level of revenue because the increase of the personal exemption and standard deduction will cost more than the additional revenues to the State from conformity. The State Tax Assessor will determine the amount of the surcharge needed by subtracting the increased revenues resulting from conformity from the loss of revenue from the increased personal exemption and standard deduction.

For corporate taxpayers, a formula is established to provide a tax credit to return increased State revenues attributable to corporate taxpayers as a result of conformity.

This system maintains the relative progressivity of the current tax structure.

LD
740

AN ACT TO PERMIT THE DISCLOSURE OF INFORMATION
ON A REAL ESTATE TRANSFER TAX DECLARATION OF
VALUE FORM

PL 1987
c. 43

Sponsor: MAYO, Jackson
Committee Report: New Draft of LD 56

SUMMARY: Authorizes the disclosure by local assessors of information which is contained on a real estate transfer tax declaration of value form.