



125th MAINE LEGISLATURE

LD 849

LR 149(11)

An Act To Provide Tax Relief for Maine's Citizens by Reducing Income Taxes

Fiscal Note for House Amendment " " to Committee Amendment "C"

Sponsor: Rep. Berry of Bowdoinham

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund
Potential future biennium revenue decrease - General Fund

Fiscal Detail and Notes

The amendment adds property tax relief as the first purpose of the bill. Based on currently budgeted revenue, no transfers of General Fund revenue in excess of the appropriation limitation are expected through the end of fiscal year 2014-15. If actual revenue in these or later fiscal years exceeds budgeted revenue, leaving an excess for year-end distribution to the Fund, the balance, when sufficient, would be used for the following initiatives (in order): fully fund the Circuitbreaker Program, restore revenue sharing to 5%, fund General Purpose Assistance at 55%, and then to replace the revenues that would be lost by reducing individual income tax rates. The amount of rate reduction that would occur in any tax year is to be determined solely by reference to the balance of the Fund and the revenue that would be lost by any rate reduction effective for the following tax year. Since the funding for the rate reduction is non-recurring and the rate reductions permanent, it is possible that the bill could result in significantly reduced revenues for all years following the implementation of a tax rate reduction.