

**125th MAINE LEGISLATURE****LD 1826****LR 2763(04)****An Act To Revise the Income Tax Return Checkoffs****Fiscal Note for Bill as Engrossed with:****C "A" (H-880)****Committee: Taxation****Fiscal Note**

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$0	\$525	(\$25)	(\$25)
Appropriations/Allocations				
General Fund	\$0	\$10,500	(\$500)	(\$500)
Other Special Revenue Funds	\$0	\$10,000	\$13,000	\$16,000
Revenue				
General Fund	\$0	\$9,975	(\$475)	(\$475)
Other Special Revenue Funds	\$0	\$10,525	\$12,975	\$15,975

Fiscal Detail and Notes

The bill eliminates the voluntary contributions checkoff for political parties from the Maine income tax form for tax years beginning on or after January 1, 2012. It establishes an income tax checkoff to support free public libraries in the State. No checkoff will be included on the return unless the total contributions to the organization or fund to which the contributions are credited are at least \$10,000 in tax years beginning on or after 2012. The contributions threshold will increase by \$3,000 each year until total required contributions for each organization or fund reaches \$25,000. No designation will be provided to make a contribution of less than \$5. The State Tax Assessor will annually determine the cost of administering the checkoff for each organization or fund and deduct that amount before any funds are transferred. Creating a minimum threshold for total annual voluntary contributions to each organization or fund and eliminating the maximum amount that Maine Revenue Services can deduct for administration could reduce revenue to the various funds included on the checkoff beginning in fiscal year 2013-14.

The bill includes a one-time General Fund appropriation of \$10,500 to Maine Revenue Services in fiscal year 2012-13 for programming costs related to adding the new library checkoff and making other changes. It also includes an Other Special Revenue Funds allocation of \$10,000 in fiscal year 2012-13 to the Maine Public Library Fund established within the Maine State Library to receive funds from voluntary income tax checkoff contributions to support free public libraries in the State.