

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Use National Standards To Determine Maine's Relative Tax Burden for Purposes of Budget Caps

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

Sec. 1. 5 MRSA §1664, sub-§1, ¶F, as enacted by PL 2005, c. 601, §1, is amended to read:

F. Include statements of the bonded indebtedness of the State Government showing the debt redemption requirements, the debt authorized and unissued and the condition of the sinking funds; and

Sec. 2. 5 MRSA §1664, sub-§1, ¶G, as enacted by PL 2005, c. 601, §1, is amended to read:

G. Contain any statements relative to the financial plan that the Governor-elect or the Governor considers desirable or that may be required by the Legislature; and

Sec. 3. 5 MRSA §1664, sub-§1, ¶H is enacted to read:

H. Include an assessment of where the State stands as it relates to the ranking goal established in Title 36, section 7301.

Sec. 4. 36 MRSA §7301, first ¶, as enacted by PL 2005, c. 2, Pt. H, §2, is amended to read:

It is the goal and policy of the State that by 2015 the State's total state and local tax burden be ranked in the middle 1/3 at or below the median of all states, as determined by the United States Census Bureau's most recent tax burden analysis, adjusted by the assessor to reflect the State's unique expenditure tax relief programs. For the purposes of Title 5, section 1534, subsection 2; Title 30-A, section 706-A, subsection 3 and Title 30-A, section 5721-A, subsection 3; and this section, the assessor shall calculate the State's state and local tax burden relative to other states using the data that represents the State's most recent total state and local tax collections divided by the State's total personal income.

SUMMARY

This bill changes the States's tax burden goal for 2015 to be at or below the median for all states and requires that the calculation of the State's state and local tax burden relative to other states for purposes of state and local spending limitations be based solely on data from the United States Census Bureau without adjustments by the State Tax Assessor for the State's unique expenditure tax relief programs. The bill also requires the Governor to include in the biennial budget document an assessment of where the State stands in meeting the tax burden goal.