

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

Amend the bill in Part B by striking out all of section 3.

Amend the bill in Part C by striking out all of section 15 and inserting the following:

‘Sec. C-15. Application. This Part applies to application periods for the Property Tax and Rent Refund Program beginning on or after August 1, 2008.’

Amend the bill in Part D by striking out all of section 8.

Amend the bill in Part E by striking out all of section 59 and inserting the following:

‘Sec. E-59. Application. Those portions of this Part that affect the taxation of leases and rentals of tangible personal property apply to leases entered into, extended or renewed on or after January 1, 2008.

Sec. E-60. Effective date. Except as otherwise indicated, this Part takes effect January 1, 2008.’

Amend the bill in Part F in section 7 in the first line (page 36, line 38 in L.D.) by striking out the following: "October 1, 2007" and inserting the following: 'January 1, 2008'

Amend the bill by striking out all of Part L and inserting the following:

PART L

Sec. L-1. Statutory referendum procedure; submission at election; form of question; effective date. This Act must be submitted to the legal voters of the State at a statewide election held in the month of November following the passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor making various changes to Maine tax laws, including:

1. Changing the income tax rates to a flat 6%;
2. Creating a household credit;
3. Changing the corporate income tax rate to a flat 8.93%;
4. Increasing the homestead property tax deduction to \$26,000;
5. Increasing the benefits available under the so-called "circuit breaker" program;
6. Establishing a process to permit persons 65 years of age or older to defer property taxes on their homesteads;
7. Broadening the sales tax base to include certain services and repealing certain exemptions;

8. Increasing the sales tax on prepared meals, lodging and rentals of automobiles for less than one year;
9. Increasing the real estate transfer tax and changing the format to provide for a 3-tiered tax based on the value of the property;
10. Increasing the excise tax on wine and malt liquor, except for malt liquor produced by manufacturers of less than 100,000 barrels;
11. Requiring 15% of the growth of sales and income tax to be transferred to the Tax Relief Fund for Maine Residents; and
12. Prohibiting the foreclosure for failure to pay a tax lien on a home owned and occupied for at least 10 years by a person 65 years of age or older until that home is sold or transferred?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purposes of this referendum.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment requires the provisions of the bill to be sent to referendum in November 2007. This amendment also changes the effective dates for the sales tax and the real estate transfer tax changes to January 1, 2008, following the referendum, and specifies the application date for the so-called "circuit breaker program."

This amendment also removes all the appropriations and allocations sections from the bill due to the contingency of approval at referendum.

FISCAL NOTE REQUIRED **(See attached)**