

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

Amend the resolution in Part A in Section 24 by striking out all of subsection 1 (page 1, lines 7 to 10 in L.D.) and inserting the following:

‘ **1. Income tax, motor vehicle excise tax and sales tax.** Except as provided in subsection 2, the statutory rates of any income tax, motor vehicle excise tax or sales tax may not be increased or decreased except by enactment of legislation approved by 2/3 of all members of each House of the Legislature; and’

Amend the resolution in Part A by striking out all of the question (page 1, lines 22 to 25 in L.D.) and inserting the following:

‘

“Do you favor amending the Constitution of Maine to require a 2/3 vote of all the members of each House of the Legislature to alter the statutory tax rates for income tax, motor vehicle excise tax or sales tax except when adequate funds have not been appropriated for debt payment?”

’

Amend the resolution in Part B by striking out all of subsection 6 (page 2, lines 6 to 10 in L.D.) and inserting the following:

‘ **6. Local limitation on homestead exemption.** Subject to procedural conditions enacted by the Legislature, a municipality may, by majority vote at a referendum held expressly for the purpose, limit the amount of the general homestead exemption to the amount for which the reimbursement from the State represents 100% of the property tax loss attributable to the homestead exemption. A municipality may reverse the decision to limit the homestead exemption by a subsequent referendum.’

Amend the resolution in Part B by striking out all of the question (page 2, lines 18 to 20 in L.D.) and inserting the following:

‘

“Do you favor amending the Constitution of Maine to allow municipalities to limit the amount of the general homestead exemption to the amount fully reimbursable by the State?”

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Amend the resolution in Part C by striking out all of Section 3 (page 2, lines 35 to 39 and page 3, lines 1 to 4 in L.D.) and inserting the following:

‘ **Section 3. Local vote to implement sales tax.** A municipality may adopt a local sales tax subject to guidelines and procedures enacted by the Legislature. Revenue from a local sales tax must be used to reduce the property tax.’

Amend the resolution in Part C by striking out all of the question (page 3, lines 12 to 15 in L.D.) and inserting the following:

“Do you favor amending the Constitution of Maine to permit municipalities to provide property tax relief through adoption of a local sales tax subject to guidelines and procedures enacted by the Legislature?”

SUMMARY

This amendment is the majority report of the Joint Standing Committee on Taxation.

Like the constitutional resolution, this amendment proposes 3 changes to the Constitution of Maine and provides that each change must be presented as a separate and independent question to the voters. Under the amendment, which clarifies the language of the resolution:

1. Part A requires approval of 2/3 of each House of the Legislature to alter the statutory tax rates for income tax, motor vehicle excise tax or sales tax except when adequate funds have not been appropriated for debt payment;
2. Part B authorizes municipalities to opt out of the unreimbursed portion of the general homestead exemption by holding a municipal referendum subject to procedural conditions enacted by the Legislature and allows them to reverse that decision by a subsequent referendum; and
3. Part C authorizes municipalities to adopt a local sales tax subject to guidelines and procedures enacted by the Legislature. Revenues must be used to reduce property taxes.