



125th MAINE LEGISLATURE

LD 474

LR 1474(01)

An Act To Reduce the Property Tax Burden and Improve the Circuitbreaker Program

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Flemings of Bar Harbor

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$17,613,046	\$17,193,086	\$17,193,086	\$17,193,086
Appropriations/Allocations				
General Fund	\$988,046	\$568,086	\$568,086	\$568,086
Revenue				
General Fund	(\$16,625,000)	(\$16,625,000)	(\$16,625,000)	(\$16,625,000)
Other Special Revenue Funds	(\$875,000)	(\$875,000)	(\$875,000)	(\$875,000)

Fiscal Detail and Notes

Increasing participation in the Maine Residents Property Tax Program ("Circuit Breaker" program) by expanding the parameters of eligibility for the Circuit Breaker program will result in increased Circuit Breaker transfers. The increased transfers will proportionally reduce the amount of General Fund revenues available to the state and will reduce revenue sharing commencing in fiscal year 2011-12. Maine Revenue Services (MRS) will require a General Fund appropriation for 5 Tax Examiners at a cost of \$222,935 in fiscal year 2011-12 and \$316,585 in fiscal year 2012-13, 1 Senior Tax Examiner at a cost of \$54,237 in fiscal year 2011-12 and \$77,378 in fiscal year 2012-13, and temporary overtime costs of \$71,326 in fiscal year 2011-12 and \$76,049 in fiscal year 2012-13. The appropriation also includes \$579,548 in fiscal year 2011-12 and \$98,074 in fiscal year 2012-13 for administrative costs including new work space, computer support, printing, mailing and outreach. This bill results in double administrative expenditures by MRS in fiscal year 2011-12 as two Circuit Breaker programs would have to be administered that year.

This analysis also assumes a one-time appropriation of \$60,000 in fiscal year 2011-12 for the Department of Health and Human Services (DHHS) for computer programming and other costs associated with integrating the Circuit Breaker program with the DHHS automated client eligibility system (ACES).