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Date: (Filing No. H- )

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1196, L.D. 1866, “An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels”

Amend the bill by striking out the title and substituting the following:

**'Resolve, to Establish the Commission to Study Fair, Equitable and Competitive Income Tax Policy for Maine's Families and Small Businesses'**

Amend the bill by striking out everything after the title and inserting the following:

**'Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** this resolve creates the Commission to Study Fair, Equitable and Competitive Income Tax Policy for Maine's Families and Small Businesses and directs the commission to study and report to the Legislature on issues associated with the effects of income tax policy on the State's working families and small businesses and develop recommendations designed to ensure that the tax policy of the State: is fair and equitable, improves the competitive position of the State, encourages more investment in new and existing small businesses in the State and helps attract skilled and knowledgeable workers necessary for a sustainable, growing economy in all regions of the State; and

**Whereas,** the commission is directed to report the results of its work to the Legislature by December 6, 2023; and

**Whereas,** the work of the commission will be too complicated and demanding to be accomplished in the period of time between 90 days after the adjournment of the First Special Session and December 6, 2023; and

**Whereas,** additional time is needed for the commission to provide a detailed and complete report to the Legislature by December 6, 2023; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as

**COMMITTEE AMENDMENT**

1 immediately necessary for the preservation of the public peace, health and safety; now,  
2 therefore, be it

3 **Sec. 1. Commission established. Resolved:** That the Commission to Study Fair,  
4 Equitable and Competitive Income Tax Policy for Maine's Families and Small Businesses,  
5 referred to in this resolve as "the commission," is established.

6 **Sec. 2. Membership. Resolved:** That, notwithstanding Joint Rule 353, the  
7 commission consists of 16 members appointed as follows:

8 1. Three members of the Senate appointed by the President of the Senate, including a  
9 member from each of the 2 parties holding the largest number of seats in the Legislature;

10 2. Three members of the House of Representatives appointed by the Speaker of the  
11 House, including a member from each of the 2 parties holding the largest number of seats  
12 in the Legislature;

13 3. Six members appointed by the Governor as follows:

14 A. One member representing the Office of the Governor;

15 B. One member representing a statewide organization that represents business  
16 interests;

17 C. One member representing a statewide organization that represents Maine heritage  
18 industry interests;

19 D. One member who is a tax policy expert;

20 E. One member who is an expert in tax accounting; and

21 F. One member representing a nonprofit organization with expertise in taxation;

22 4. One public member representing the interests of small businesses and one public  
23 member representing the interests of working families, appointed by the President of the  
24 Senate; and

25 5. One public member representing the interests of small businesses and one public  
26 member representing the interests of working families, appointed by the Speaker of the  
27 House.

28 **Sec. 3. Chairs. Resolved:** That the first-named Senate member is the Senate chair  
29 and the first-named House of Representatives member is the House chair of the  
30 commission.

31 **Sec. 4. Appointments; convening of commission. Resolved:** That all  
32 appointments must be made no later than 30 days following the effective date of this  
33 resolve. The appointing authorities shall notify the Executive Director of the Legislative  
34 Council once all appointments have been completed. After appointment of all members,  
35 the chairs shall call and convene the first meeting of the commission. If 30 days or more  
36 after the effective date of this resolve a majority of but not all appointments have been  
37 made, the chairs may request authority and the Legislative Council may grant authority for  
38 the commission to meet and conduct its business.

39 **Sec. 5. Duties. Resolved:** That the commission shall study issues associated with  
40 the effects of income tax policy on the State's working families and small businesses and  
41 shall develop recommendations designed to ensure that the tax policy of the State: is fair

1 and equitable, improves the competitive position of the State, encourages more investment  
2 in new and existing small businesses in the State and helps attract skilled and  
3 knowledgeable workers necessary for a sustainable, growing economy in all regions of the  
4 State. In examining the issues, the commission shall consider measures designed to level  
5 the playing field for small businesses and to aid entrepreneurs, shall consider the  
6 importance to working families and businesses of adequately funding important  
7 government services, such as aid to local services, education, infrastructure maintenance  
8 and affordable health care, and shall propose measures that ensure these services are  
9 adequately funded. The commission shall also evaluate the direct impact of any proposed  
10 tax changes on after-tax income by income decile.

11 **Sec. 6. Staff assistance. Resolved:** That the Legislative Council shall provide  
12 necessary staffing services to the commission, except that Legislative Council staff support  
13 is not authorized when the Legislature is in regular or special session.

14 **Sec. 7. Provision of information to commission. Resolved:** That the  
15 Department of Administrative and Financial Services, Maine Revenue Services shall  
16 provide to the commission information, consistent with the restrictions set forth in the  
17 Maine Revised Statutes, Title 36, section 191, that is requested by the commission.

18 **Sec. 8. Report. Resolved:** That, no later than December 6, 2023, the commission  
19 shall submit a report that includes its findings and recommendations, including suggested  
20 legislation, for presentation to the Second Regular Session of the 131st Legislature.

21 **Emergency clause.** In view of the emergency cited in the preamble, this legislation  
22 takes effect when approved.'

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

25 **SUMMARY**

26 This amendment replaces the bill with a resolve that creates the Commission to Study  
27 Fair, Equitable and Competitive Income Tax Policy for Maine's Families and Small  
28 Businesses and directs it to study and report to the Legislature on issues associated with the  
29 effects of income tax policy on the State's working families and small businesses and  
30 develop recommendations designed to ensure that the tax policy of the State: is fair and  
31 equitable, improves the competitive position of the State, encourages more investment in  
32 new and existing small businesses in the State and helps attract skilled and knowledgeable  
33 workers necessary for a sustainable, growing economy in all regions of the State. The  
34 amendment also adds an emergency preamble and an emergency clause.

35 **FISCAL NOTE REQUIRED**

36 **(See attached)**