

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

Amend the amendment by striking out all of pages 1 to 10 and page 11, lines 1 to 31 and inserting the following:

Amend the bill by striking out all of Parts A, B and C and inserting the following:

PART A

Sec. A-1. 5 MRSA §1518-A, as enacted by PL 2005, c. 2, Pt. A, §4 and affected by §14, is amended to read:

§ 1518-A. Tax Relief Fund for Maine Residents

1. Tax Relief Fund for Maine Residents. There is created the Tax Relief Fund for Maine Residents, referred to in this section as "the fund," which must be used to provide tax relief to residents of the State. The fund consists of all resources transferred to the fund under this section and section 1536 and other resources made available to the fund.

2. Nonlapsing fund. Any unexpended balance in the ~~Tax Relief Fund for Maine Residents~~ may fund does not lapse but must be carried forward to be used pursuant to subsection 1.

3. Transfer from revenue growth. Beginning with fiscal year 2010-11, at the close of each fiscal year, the State Controller shall transfer to the fund any General Fund revenue received by the State for the fiscal year being closed that exceeds the amount of revenue received by the State for the previous fiscal year, adjusted by the growth limitation factor calculated under section 1534, subsection 2.

4. Income tax reduction. Amounts contained in the fund must be used to reduce individuals' income taxes. The State Tax Assessor shall present legislation annually to reduce the income tax burden pursuant to this section. This legislation must use any amounts contained in the fund to:

A. Reduce individual income tax rates until a top rate of 4.5% is reached; and

B. Increase the income threshold to \$30,000, below which heads of households and married couples filing jointly pay no state income tax.

Amend the amendment in Part E by striking out all of section 1 and inserting the following:

Sec. E-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Provides funding for 5 Tax Examiner positions and one Senior Tax Examiner position beginning October 1, 2010 to implement the individual income tax and rent and property refund tax law changes.

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	0.000	6.000
Personal Services	\$0	\$340,479
All Other	\$0	\$506,121
GENERAL FUND TOTAL	\$0	\$846,600

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

SUMMARY

This amendment strikes all of Parts A, B and C of the bill, which proposed changes to the income tax, sales tax and real estate transfer tax, and the changes made by Committee Amendment "A" to those parts. This amendment instead requires the transfer to the Tax Relief Fund for Maine Residents, beginning in fiscal year 2010-11, of any growth in revenues over the previous fiscal year adjusted by the growth limitation factor. Money in the fund is to be used to reduce the overall individual income tax burden by reducing the tax rates until the top rate is reduced to 4.5% and increasing to \$30,000 the income threshold below which families will not pay income tax. It also strikes and replaces the appropriation in Part E of Committee Amendment "A".

FISCAL NOTE REQUIRED
(See attached)