

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 inserting after the title the following:

Amend the bill by inserting after the enacting clause and before section 1 the following:

PART A

Sec. .

Amend the amendment by inserting after the first indented paragraph the following:

‘**Sec. 2. 36 MRSA §5122, sub-§1, ¶¶Q**, as enacted by PL 2003, c. 20, Pt. II, §2, is repealed.

Amend the amendment by striking out all of section 4 and inserting the following:

‘**Sec. 4. 36 MRSA §5122, sub-§1, ¶¶KK and LL** are enacted to read:

KK. For taxable years beginning in 2015:

(1) An amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property placed in service in the State during the taxable year for which a credit is claimed under section 5219-NN for that taxable year; and

(2) An amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property for which a credit is not claimed under section 5219-NN; and

LL. For taxable years beginning on or after January 1, 2016 but before January 1, 2020, an amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer for the taxable year under the Code, Section 168(k).’

Amend the amendment in section 7 by striking out all of paragraph PP (page 4, lines 10 to 31 in amendment) and inserting the following:

‘PP. For taxable years beginning on or after January 1, 2017, an amount equal to the net increase in the depreciation deduction allowable under the Code, Sections 167 and 168 that would have been applicable to that property had the depreciation deduction under the Code, Section 168(k) not been claimed with respect to such property placed in service during the applicable taxable year for which an addition was required under subsection 1, paragraph LL for the applicable taxable year.

Upon the taxable disposition of property to which this paragraph applies, the amount of any gain or loss includable in federal adjusted gross income must be adjusted for Maine income tax purposes by an amount equal to the difference between the addition modification for such property under subsection 1, paragraph LL and the subtraction modifications allowed pursuant to this paragraph.

The total amount of subtraction claimed under this paragraph for all tax years may not exceed the addition modification under subsection 1, paragraph LL for the same property.'

Amend the amendment by striking out all of sections 8 to 11.

Amend the amendment in section 14 by striking out all of paragraph DD (page 5, lines 37 to 39 and page 6, lines 1 to 6 in amendment) and inserting the following:

'DD. For taxable years beginning on or after January 1, 2016 but before January 1, 2020, an amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer for the taxable year under the Code, Section 168(k).'

Amend the amendment in section 17 by striking out all of paragraph BB (page 7, lines 16 to 36 in amendment) and inserting the following:

'BB. For taxable years beginning on or after January 1, 2017, an amount equal to the net increase in the depreciation deduction allowable under the Code, Sections 167 and 168 that would have been applicable to that property had the depreciation deduction under the Code, Section 168(k) not been claimed with respect to such property placed in service during the applicable taxable year for which an addition was required under subsection 1, paragraph DD for the applicable taxable year.

Upon the taxable disposition of property to which this paragraph applies, the amount of any gain or loss includable in federal taxable income must be adjusted for Maine income tax purposes by an amount equal to the difference between the addition modification for such property under subsection 1, paragraph DD and the subtraction modifications allowed pursuant to this paragraph.

The total amount of subtraction claimed under this paragraph for all tax years may not exceed the addition modification under subsection 1, paragraph DD for the same property.'

Amend the amendment by striking out all of section 18.

Amend the amendment in section 20 in the first line (page 9, line 6 in amendment) by striking out the following: "Act" and inserting the following: 'Part'

Amend the amendment in section 20 in the first paragraph in the last line by inserting after the following: "2015." the following: 'That section of this Part that repeals the Maine Revised Statutes, Title 36, section 5122, subsection 1, paragraph Q applies to tax years beginning on or after January 1, 2016.'

Amend the amendment by inserting after section 20 the following:

PART B

Sec. B-1. Transfer from tax relief fund. The State Controller shall transfer \$9,535,933 from the Tax Relief Fund for Maine Residents established in the Maine Revised Statutes, Title 5, section 1518-A to the unappropriated surplus of the General Fund no later than June 30, 2016.

PART C

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

TREASURER OF STATE, OFFICE OF

Debt Service - Treasury 0021

Initiative: Reduces funding for debt service costs.

GENERAL FUND	2015-16	2016-17
All Other	(\$6,113,120)	\$0
GENERAL FUND TOTAL	(\$6,113,120)	\$0

PART D

Sec. D-1. Transfers from available fiscal year 2015-16 Other Special Revenue Funds balances within the Department of Environmental Protection to General Fund. Notwithstanding any other provision of law, at the close of fiscal year 2015-16, the State Controller shall transfer \$194,312 from available balances in Other Special Revenue Funds accounts within the Department of Environmental Protection to the General Fund unappropriated surplus. On or before June 30, 2016, the Commissioner of Environmental Protection shall determine from which accounts the funds must be transferred so that the sum equals \$194,312 and notify the State Controller and the Joint Standing Committee on Appropriations and Financial Affairs of the amounts to be transferred from each account.

PART E

Sec. E-1. Personal Services savings; transfer to General Fund revenue. Notwithstanding the Maine Revised Statutes, Title 5, section 1582, subsection 4 or any other provision of law, the State Controller shall transfer the first \$3,652,722 of unexpended Personal Services appropriations that would otherwise lapse to the General Fund Salary Plan program in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund at the close of fiscal year 2015-16.

Sec. E-2. General Fund Salary Plan; transfer to General Fund revenue. Notwithstanding any other provision of law, the State Controller shall transfer up to \$3,652,722 from the General Fund Salary Plan program in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund at the close of fiscal year 2015-16 in the event that the total savings in section 1 of this Part are not achieved.

PART F

Sec. F-1. Transfer from Maine Budget Stabilization Fund. The State Controller shall transfer \$21,621,138 from the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532 to the unappropriated surplus of the General Fund no later than June 30, 2017.

PART G

Sec. G-1. Transfer to General Fund unappropriated surplus; K-12 Essential Programs and Services, Other Special Revenue Funds account. Notwithstanding any other provision of law, the State Controller shall transfer \$767,507 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2016.

Sec. G-2. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2016-17 is 8.23.

Sec. G-3. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools 0308

Initiative: Increases funding for subsidy payments to school administrative units.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$22,388,645
GENERAL FUND TOTAL	<hr/>	<hr/>
	\$0	\$22,388,645
 OTHER SPECIAL REVENUE FUNDS	 2015-16	 2016-17
All Other	\$0	\$711,355
OTHER SPECIAL REVENUE FUNDS TOTAL	<hr/>	<hr/>
	\$0	\$711,355

EDUCATION, DEPARTMENT OF		
DEPARTMENT TOTALS	2015-16	2016-17
GENERAL FUND	\$0	\$22,388,645
OTHER SPECIAL REVENUE FUNDS	\$0	\$711,355
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$23,100,000

PART H

Sec. H-1. PL 2015, c. 267, Pt. T, §§1 and 2 are amended to read:

Sec. T-1. Transfer from General Fund unappropriated surplus; Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account; fiscal year 2015-16. Notwithstanding any other provision of law, the State Controller shall transfer ~~\$750,000~~\$500,000 from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account within the Department of Administrative and Financial Services no later than June 30, 2016.

Sec. T-2. Transfer from General Fund unappropriated surplus; Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account; fiscal year 2016-17. Notwithstanding any other provision of law, the State Controller shall transfer ~~\$750,000~~\$500,000 from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account within the Department of Administrative and Financial Services no later than June 30, 2017.

Sec. H-2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Fund for Efficient Delivery of Local and Regional Services - Administration Z047

Initiative: Reduces funding by \$250,000 in each year of the 2016-2017 biennium.

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	(\$250,000)	(\$250,000)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$250,000)	(\$250,000)

PART I

Sec. I-1. PL 2015, c. 267, Part PP is repealed.

Sec. I-2. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

Fund for the Efficient Delivery of Educational Services Z005

Initiative: Eliminates one-time funding for consolidation of school administrative units.

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	(\$750,000)	(\$750,000)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$750,000)	(\$750,000)

PART J

Sec. J-1. Transfer; Dirigo Health Fund; General Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$300,000 by June 30, 2016 from the Dirigo Health Fund to the General Fund unappropriated surplus.

PART K

Sec. K-1. Transfer from Audit Recovery, Other Special Revenue Funds. The State Controller shall transfer \$151,331 from the Other Special Revenue Funds audit recovery account established in the Maine Revised Statutes, Title 5, section 1622 to the unappropriated surplus of the General Fund no later than June 30, 2016.'

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

SUMMARY

Part A of this amendment removes from the committee amendment provisions limiting conformity to tax years beginning in 2015 except that nonconformity with federal bonus depreciation remains permanently and the Maine capital investment credit, which replaces bonus depreciation, remains limited to tax years beginning in 2015.

Part B transfers \$9,535,933 from the Tax Relief Fund for Maine Residents to the unappropriated surplus of the General Fund by the end of fiscal year 2015-16.

Part C deappropriates funds no longer needed for debt service costs.

Part D requires the State Controller to transfer \$194,312, by June 30, 2016, from available balances in Other Special Revenue Funds accounts within the Department of Environmental Protection to the General Fund unappropriated surplus.

Part E requires the State Controller to transfer the first \$3,652,722 of unexpended Personal Services savings that would otherwise lapse to the Department of Administrative and Financial Services, General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2015-16. This Part also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$3,652,722 of Personal Services savings in this Part is not achieved.

Part F requires the transfer of \$21,621,138 from the Maine Budget Stabilization Fund to the unappropriated surplus of the General Fund no later than June 30, 2017.

Part G transfers the projected increases in funding to the Department of Education from casino revenues in the December 1, 2015 revenue forecast to the General Fund in fiscal year 2015-16. This Part requires the State Controller to transfer \$767,507 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2016. Part G reduces the mill rate expectation for fiscal year 2016-17 to 8.23. Part G also increases funding for subsidy payments to school administrative units by increasing appropriations and increasing allocations from projected increases in casino revenues in the December 1, 2015 revenue forecast.

Part H reduces by \$250,000, to \$500,000 each fiscal year of the 2016-2017 biennium, the one-time transfer from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account within the Department of Administrative and Financial Services. This Part also reduces the allocation in the associated Other Special Revenue Funds account in both fiscal years of the biennium that would have received the transfer.

Part I repeals Public Law 2015, chapter 267, Part PP, which required the State Controller to transfer \$750,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus to the Fund for the Efficient Delivery of Educational Services, Other Special Revenue Funds account within the Department of Education. This Part also eliminates one-time funding for the consolidation of school administrative units.

Part J transfers the projected remaining balance of \$300,000 in fiscal year 2015-16 from the Dirigo Health Fund to the General Fund unappropriated surplus in addition to the transfer of \$700,000 enacted in Public Law 2015, chapter 267, Part W.

Current law directs the State Controller to conduct recovery audits of payments made by state agencies to vendors at least once every 10 years. Part K lapses the remaining balance of the audit recovery, after the amounts paid to the consultant, to the unappropriated surplus of the General Fund no later than June 30, 2016.

FISCAL NOTE REQUIRED
(See attached)