



125th MAINE LEGISLATURE

LD 695

LR 1475(01)

An Act To Reduce Taxes and Promote Employment

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	\$13,894,971	\$13,919,101	\$13,919,101	\$13,919,101
Appropriations/Allocations				
General Fund	\$119,971	\$144,101	\$144,101	\$144,101
Revenue				
General Fund	(\$13,775,000)	(\$13,775,000)	(\$13,775,000)	(\$13,775,000)
Other Special Revenue Funds	(\$725,000)	(\$725,000)	(\$725,000)	(\$725,000)

Fiscal Detail and Notes

Increasing the state earned income tax credit from 5% to 10% of the federal earned income tax credit and making the state earned income tax credit refundable will result in reduced revenue to the General Fund and will reduce revenue sharing starting in fiscal year 2011-12. Administering the new credit system inaugurated by this bill will require General Fund appropriations for two Tax Examiner positions and related administrative support. Maine Revenue Services notes that the refunds given pursuant to the new credit system would be subject to setoff for tax debts and debts owed to other state agencies.