



# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 1488

S.P. 553

In Senate, May 1, 2013

### An Act To Create a Tax Expenditures Budget Process

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator CAIN of Penobscot.  
Cosponsored by Representative ROTUNDO of Lewiston.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1666, 3rd ¶**, as amended by PL 2007, c. 1, Pt. P, §2, is further  
3 amended to read:

4 A budget document transmitted by the Governor or Governor-elect must include a  
5 part that asks the Legislature whether it wishes to continue funding each individual tax  
6 expenditure provided in the statutes. For purposes of this paragraph, "tax expenditures"  
7 means those state tax revenue losses attributable to provisions of Maine tax laws that  
8 allow a special exclusion, exemption or deduction or provide a special credit, a  
9 preferential rate of tax or a deferral of tax liability. The part must include for each tax  
10 expenditure a statutory section reference, a brief description of each tax expenditure and  
11 the loss of revenue estimated to be incurred by funding source and fiscal year. This  
12 paragraph applies with respect to the preparation of the budget document for the 2008-  
13 2009 biennium and thereafter. Gross unified budget bills for the General Fund and the  
14 Highway Fund must include a part that requires the Legislature to express support for  
15 continuation of the tax expenditures identified in the budget document submitted by the  
16 Governor or Governor-elect. When reviewing this part of a budget bill, the joint standing  
17 committee of the Legislature having jurisdiction over appropriations and financial affairs  
18 shall consider the most recent report on tax expenditures submitted by the joint standing  
19 committee of the Legislature having jurisdiction over taxation matters under Title 36,  
20 section 199-C.

21 **Sec. 2. 36 MRSA §199-C, sub-§1**, as enacted by PL 2001, c. 652, §7, is amended  
22 to read:

23 **1. Odd-numbered years.** During each odd-numbered year the committee ~~may~~ shall  
24 review the report required under section 199-B. By November 1st of each odd-numbered  
25 year the committee shall submit a report to the joint standing committee of the  
26 Legislature having jurisdiction over appropriations and financial affairs that includes a  
27 recommendation for retention, repeal or amendment of each tax expenditure and the  
28 reason for the recommendation.

29 **Sec. 3. 36 MRSA §199-D**, as enacted by PL 2001, c. 652, §7, is amended to read:

30 **§199-D. Report**

31 ~~The committee shall notify the Legislature of the results of each review conducted~~  
32 ~~under section 199-C and may issue a report of its findings and recommendations.~~ The  
33 committee may report to the Legislature any legislation necessary to implement  
34 recommendations resulting from the review conducted under section 199-C.

35 **SUMMARY**

36 This bill requires the joint standing committee of the Legislature having jurisdiction  
37 over taxation matters to review all tax expenditures in odd-numbered years and submit a  
38 report to the joint standing committee of the Legislature having jurisdiction over  
39 appropriations and financial affairs recommending retention, amendment or repeal of tax

1 expenditures described in the biennial report to the committee by the Department of  
2 Administrative and Financial Services, Bureau of Revenue Services. The bill also  
3 requires gross unified budget bills to include a part indicating the Legislature's support for  
4 tax expenditures and requires the joint standing committee of the Legislature having  
5 jurisdiction over appropriations and financial affairs to consider the report from the joint  
6 standing committee of the Legislature having jurisdiction over taxation matters when  
7 reviewing that part of the budget bill.