

Date: (Filing No. H- )

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1347, L.D. 1826, Bill, "An Act To Review and Repeal Income Tax Return Checkoffs"

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

'An Act To Revise the Income Tax Return Checkoffs'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 27 MRSA §8 is enacted to read:

§8. Maine Public Library Fund

There is established the Maine Public Library Fund, an interest-bearing account, referred to in this section as "the fund." The fund receives money deposited by the Treasurer of State pursuant to Title 36, section 5291 and any other money contributed to the fund. The fund is administered by the State Librarian. All money deposited in the fund and the earnings on that money remain in the fund to be used to provide grants to free public libraries for use in providing services identified as priority services by the State Librarian. Money in the fund may also be used for the necessary administrative and personnel costs associated with the management of the fund but may not be deposited in the General Fund or any other fund except as specifically provided by law.

Sec. 2. 36 MRSA §5283, as amended by PL 1989, c. 502, Pt. A, §137, is further amended by adding at the end a new paragraph to read:

This section is repealed December 31, 2012.

Sec. 3. 36 MRSA §5283-A is enacted to read:

§5283-A. Voluntary contribution through checkoffs

1. Minimum threshold for total contributions. The State Tax Assessor may not include on an individual income tax return form a designation for a taxpayer to make a contribution through a checkoff under section 5284, 5284-A, 5285, 5285-A, 5288-A,

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1 5289, 5290 or 5291 unless on returns filed in the prior calendar year the total  
2 contributions to the organization or fund to which the contributions are credited under the  
3 applicable section are at least:

4 A. For calendar year 2012, \$10,000;

5 B. For calendar year 2013, \$13,000;

6 C. For calendar year 2014, \$16,000;

7 D. For calendar year 2015, \$19,000;

8 E. For calendar year 2016, \$22,000; and

9 F. For calendar years beginning on or after January 1, 2017, \$25,000.

10 This subsection does not apply to a contribution checkoff that has been on the individual  
11 income tax form for less than one year.

12 **2. Cost of administration.** The State Tax Assessor shall determine annually the total  
13 amount contributed to each fund or organization by taxpayers making contributions  
14 through a checkoff on the individual income tax return form. Prior to the beginning of the  
15 next year, the assessor shall deduct the cost of administering the checkoff for the  
16 organization or fund and report the remainder to the Treasurer of State, who shall forward  
17 that amount to the designated organization or fund.

18 **Sec. 4. 36 MRSA §5284, sub-§2,** as amended by PL 2003, c. 414, Pt. B, §68 and  
19 affected by c. 614, §9, is further amended to read:

20 **2. Contributions credited to Maine Endangered and Nongame Wildlife Fund.**  
21 The State Tax Assessor shall determine annually the total amount contributed pursuant to  
22 subsection 1. Prior to the beginning of the next year, the assessor shall deduct the cost of  
23 administering the nongame checkoff, ~~but not exceeding \$5,000 annually,~~ and report the  
24 remainder to the Treasurer of State, who shall credit that amount to the Maine  
25 Endangered and Nongame Wildlife Fund, which is established in Title 12, section 10253.

26 **Sec. 5. 36 MRSA §5284-A, sub-§2,** as enacted by PL 2003, c. 682, §5, is  
27 amended to read:

28 **2. Contributions credited to Companion Animal Sterilization Fund.** The State  
29 Tax Assessor shall determine annually the total amount contributed pursuant to  
30 subsection 1. Prior to the beginning of the next year, the assessor shall deduct the cost of  
31 administering the Companion Animal Sterilization Fund checkoff, ~~but not exceeding~~  
32 ~~\$5,000 annually,~~ and report the remainder to the Treasurer of State, who shall credit the  
33 amount to the Companion Animal Sterilization Fund, which is established in Title 7,  
34 section 3910-B.

35 **Sec. 6. 36 MRSA §5285, sub-§2,** as amended by PL 1993, c. 600, Pt. A, §280, is  
36 further amended to read:

37 **2. Contributions credited to the Maine Children's Trust Incorporated.** The  
38 State Tax Assessor shall determine annually the total amount contributed pursuant to  
39 subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct  
40 the cost of administering the Maine Children's Trust Incorporated checkoff, ~~but not~~  
41 ~~exceeding \$2,000 annually,~~ and report the remainder to the Treasurer of State, who shall

1 forward that amount to the Maine Children's Trust Incorporated, which is established in  
2 Title 22, chapter 1058.

3 **Sec. 7. 36 MRSA §5285-A, sub-§2**, as amended by PL 2007, c. 240, Pt. TT, §2  
4 and affected by §3, is further amended to read:

5 **2. Contributions credited to the Bone Marrow Screening Fund.** The State Tax  
6 Assessor shall determine annually the total amount contributed pursuant to subsection 1.  
7 Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of  
8 administering the Bone Marrow Screening Fund checkoff, ~~but not exceeding \$2,000~~  
9 ~~annually~~, and report the remainder to the Treasurer of State, who shall forward that  
10 amount to the Bone Marrow Screening Fund.

11 **Sec. 8. 36 MRSA §5288-A, sub-§1**, as enacted by PL 2007, c. 674, §1 and  
12 affected by §2, is amended to read:

13 **1. Maine Military Family Relief Fund.** When filing a return, a taxpayer entitled to  
14 a refund under this Part may designate that a portion of that refund be paid into the Maine  
15 Military Family Relief Fund established in Title 37-B, section 158. A taxpayer who is not  
16 entitled to a refund under this Part may contribute to the Maine Military Family Relief  
17 Fund by including with that taxpayer's return sufficient funds to make the contribution.  
18 The contribution may not be less than ~~\$1~~ \$5. Each individual income tax return form  
19 must contain a designation in substantially the following form: "The Maine Military  
20 Family Relief Fund: ( ~~→~~ ~~\$1~~, ( ) \$5, ( ) \$10, ( ) \$25 or ( ) Other \$... ."

21 **Sec. 9. 36 MRSA §5289**, as enacted by PL 2005, c. 519, Pt. RRR, §1 and affected  
22 by §3, is amended to read:

23 **§5289. Maine Veterans' Memorial Cemetery Maintenance Fund voluntary checkoff**

24 **1. Maine Veterans' Memorial Cemetery Maintenance Fund.** When filing a  
25 return, a taxpayer entitled to a refund under this Part may designate that a portion of that  
26 refund be paid into the Maine Veterans' Memorial Cemetery Maintenance Fund  
27 established in Title 37-B, section 504, subsection 6. A taxpayer who is not entitled to a  
28 refund under this Part may contribute to the Maine Veterans' Memorial Cemetery  
29 Maintenance Fund by including with that taxpayer's return sufficient funds to make the  
30 contribution. The contribution may not be less than ~~\$1~~ \$5. Each individual income tax  
31 return form must contain a designation in substantially the following form: "Maine  
32 Veterans' Memorial Cemetery Maintenance Fund: ( ~~→~~ ~~\$1~~, ( ) \$5, ( ) \$10, ( ) \$25 or ( )  
33 Other \$... ."

34 **2. Contributions credited to Maine Veterans' Memorial Cemetery Maintenance**  
35 **Fund.** The State Tax Assessor shall determine annually the total amount contributed  
36 pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor  
37 shall deduct the cost, ~~up to \$2,000 annually~~, of administering the Maine Veterans'  
38 Memorial Cemetery Maintenance Fund checkoff and report the remainder to the  
39 Treasurer of State, who shall forward that amount to the Maine Veterans' Memorial  
40 Cemetery Maintenance Fund.

41 **Sec. 10. 36 MRSA §5290**, as enacted by PL 2005, c. 672, §3 and affected by §§6  
42 and 8, is amended to read:

1 **§5290. Maine Asthma and Lung Disease Research Fund; voluntary checkoff**

2 **1. Maine Asthma and Lung Disease Research Fund.** When filing a return, a  
3 taxpayer entitled to a refund under this Part may designate that a portion of that refund be  
4 paid into the Maine Asthma and Lung Disease Research Fund established in Title 22,  
5 section 1700-A. A taxpayer who is not entitled to a refund under this Part may contribute  
6 to the Maine Asthma and Lung Disease Research Fund by including with that taxpayer's  
7 return sufficient funds to make the contribution. The contribution may not be less than ~~\$1~~  
8 \$5. Each individual income tax return form must contain a designation in substantially  
9 the following form: "Maine Asthma and Lung Disease Research Fund: (→) ~~\$1~~, ( ) \$5, ( )  
10 \$10, ( ) \$25 or ( ) Other \$.... ."

11 **2. Contributions credited to Maine Asthma and Lung Disease Research Fund.**  
12 The State Tax Assessor shall determine annually the total amount contributed pursuant to  
13 subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct  
14 the cost, ~~up to \$2,000 annually,~~ of administering the Maine Asthma and Lung Disease  
15 Research Fund checkoff and report the remainder to the Treasurer of State, who shall  
16 forward that amount to the Maine Asthma and Lung Disease Research Fund.

17 **Sec. 11. 36 MRSA §5291** is enacted to read:

18 **§5291. Maine Public Library Fund; voluntary checkoff**

19 **1. Maine Public Library Fund.** When filing a return, a taxpayer entitled to a  
20 refund under this Part may designate that a portion of that refund be paid into the Maine  
21 Public Library Fund established in Title 27, section 8. A taxpayer who is not entitled to a  
22 refund under this Part may contribute to the Maine Public Library Fund by including with  
23 that taxpayer's return sufficient funds to make the contribution. The contribution may not  
24 be less than \$5. Each individual income tax return form must contain a designation in  
25 substantially the following form: "Maine Public Library Fund: ( ) \$5, ( ) \$10, ( ) \$25 or ( )  
26 Other \$.... ."

27 **2. Contributions credited to Maine Public Library Fund.** The State Tax Assessor  
28 shall determine annually the total amount contributed pursuant to subsection 1. Prior to  
29 the beginning of the next year, the State Tax Assessor shall deduct the cost of  
30 administering the Maine Public Library Fund checkoff and report the remainder to the  
31 Treasurer of State, who shall forward that amount to the Maine Public Library Fund.

32 **Sec. 12. Report and review.** By January 15, 2017, the Department of  
33 Administrative and Financial Services, Bureau of Revenue Services shall submit a report  
34 to the joint standing committee of the Legislature having jurisdiction over taxation  
35 matters identifying the amount contributed to each income tax checkoff under the Maine  
36 Revised Statutes, Title 36, chapter 831 over the previous 5 years and the cost of  
37 administering the checkoffs, and listing any checkoffs removed from the individual tax  
38 return pursuant to Title 36, section 5283-A. By April 1, 2017, the joint standing  
39 committee of the Legislature having jurisdiction over taxation matters shall review the  
40 report and may submit a bill to the 128th Legislature to implement any recommendations  
41 resulting from the review.

42 **Sec. 13. Appropriations and allocations.** The following appropriations and  
43 allocations are made.

1 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
 2 **Revenue Services, Bureau of 0002**

3 Initiative: Provides a one-time appropriation for the administrative costs of adding one  
 4 additional tax checkoff for the Maine Public Library Fund and eliminating the checkoff  
 5 for political parties.

6	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
7	All Other	\$0	\$10,500
8			
9	<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$10,500</u>

10	<b>ADMINISTRATIVE AND FINANCIAL</b>		
11	<b>SERVICES, DEPARTMENT OF</b>		
12	<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
13			
14	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$10,500</b>
15			
16	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$0</b></u>	<u><b>\$10,500</b></u>

17 **LIBRARY, MAINE STATE**  
 18 **Maine Public Library Fund N131**

19 Initiative: Allocates funds to provide grants to free public libraries in the State.

20	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2011-12</b>	<b>2012-13</b>
21	All Other	\$0	\$10,000
22			
23	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$0</u>	<u>\$10,000</u>

24	<b>LIBRARY, MAINE STATE</b>		
25	<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
26			
27	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$10,000</b>
28			
29	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$0</b></u>	<u><b>\$10,000</b></u>

30	<b>SECTION TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
31			
32	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$10,500</b>

1	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$10,000</b>
2			
3	<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$20,500</b>
4			

5 **SUMMARY**

6 This amendment replaces the bill and changes the title. It eliminates the checkoffs  
 7 for contributions to political parties from the Maine income tax return for tax years  
 8 beginning on or after January 1, 2012. It establishes the Maine Public Library Fund and  
 9 an income tax checkoff to support free public libraries in the State. It prohibits the State  
 10 Tax Assessor from including on the individual income tax return form a designation for a  
 11 taxpayer to make a contribution through a checkoff if, in the previous year, the total  
 12 contributions to the organization or fund to which the contributions are credited were not  
 13 at least \$10,000 in calendar year 2012. The required minimum amount of contributions  
 14 through the checkoff increases by \$3,000 each year until the minimum level of  
 15 contributions reaches \$25,000 in calendar year 2017 and subsequent years. The  
 16 amendment repeals provisions permitting a taxpayer to make a contribution through a  
 17 checkoff in an amount less than \$5. It requires the State Tax Assessor to determine  
 18 annually the total amount contributed to each fund or organization through a checkoff and  
 19 to deduct the cost of administering the checkoff for the organization or fund before  
 20 reporting the remainder to the Treasurer of State, who is required to forward that amount  
 21 to the designated organization or fund. The amendment removes statutory limits on the  
 22 amounts that may be deducted for administrative costs. It requires the joint standing  
 23 committee of the Legislature having jurisdiction over taxation matters, by April 1, 2017,  
 24 to review data regarding contributions made through checkoffs and the costs to the  
 25 Department of Administrative and Financial Services, Bureau of Revenue Services for  
 26 administration of the checkoffs and authorizes the committee to submit a bill to the 128th  
 27 Legislature to implement any recommendations resulting from the review. This  
 28 amendment also adds an appropriations and allocations section to the bill.

29 **FISCAL NOTE REQUIRED**

30 **(See attached)**