

STATE OF MAINE

Interdepartmental Memorandum

February 23, 2012

To: The Joint Standing Committee on Taxation

From: Dennis Doiron, Income Tax Division, Maine Revenue Services (MRS)

Subject: LD 1826 – An Act To Review and Repeal Income Tax Return Checkoffs

Primary Sponsor: Representative L. Gary Knight.

Estimated Revenue Impact:

The following represent amounts reimbursed to the state annually (retained from annual contributions) to cover costs to administer the checkoffs. Impact on the General Fund is 95% of the amounts shown below.

FY2011-12: \$0

FY2012-13: \$0

FY2013-14: (\$23,080)

FY2014-15: (\$23,080)

Estimated Administrative Cost Impact:

Enactment of this legislation will produce the following administrative cost savings:

FY2011-12: \$0

FY2012-13: \$0

FY2013-14: (\$50,800)

FY2014-15: (\$50,800)

Identified Issues:

The last sentence in Sec. 9 of the bill requires MRS to submit legislation with statutory changes necessitated by enactment of the bill. These changes presumably relate to statutes administered by other agencies. MRS suggests that, instead of requiring MRS to submit legislation, the bill require MRS to submit a report to the Joint Standing Committee on Taxation identifying provisions of Maine law that should be changed as a result of enactment of the bill. The bill should further authorize the committee to report out legislation during the next legislative session deemed necessary to correct Maine statutes as a result of enactment of the bill.

Also, for clarification, the bill should contain an application section as follows:

Sec. 10. Application. This Act repeals the existence of the income tax checkoffs herein repealed for tax years beginning on or after January 1, 2013 and prohibits the use of any checkoff election on any income tax return or amendment filed after December 31, 2013.

Similar Legislative Proposals: None known.

cc (by e-mail): Office of Fiscal & Program Review
Office of DAFS Commissioner
Office of the Attorney General
Office of Policy & Legal Analysis

State Budget Office
Office of the Governor
Revisor's Office
Office of Information Technology