



129th MAINE LEGISLATURE

LD 963

LR 2174(02)

An Act To Exempt Overtime Pay from Individual Income Tax

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$35,226,743	\$36,660,661	\$37,895,661	\$39,035,661
Appropriations/Allocations				
General Fund	\$76,743	\$85,661	\$85,661	\$85,661
Revenue				
General Fund	(\$35,150,000)	(\$36,575,000)	(\$37,810,000)	(\$38,950,000)
Other Special Revenue Funds	(\$1,850,000)	(\$1,925,000)	(\$1,990,000)	(\$2,050,000)

Fiscal Detail and Notes

The bill excludes overtime compensation from income tax if the employer is required by law to pay the overtime and will result in a reduction in General Fund revenue of \$35,150,000 in fiscal year 2019-20 and \$36,575,000 in fiscal year 2020-21. It will also result in a reduction in Local Government Fund revenue of \$1,850,000 in fiscal year 2019-20 and \$1,925,000 in fiscal year 2020-21. This analysis assumes the exclusion includes all wage compensation from overtime hours. The bill includes a General Fund appropriation of \$76,743 in fiscal year 2019-20 and \$85,661 in fiscal year 2020-21 to the Department of Administrative and Financial Services for one Tax Examiner position and related costs to process income tax returns and perform desk audits.