

April 17, 2017

Maine Opinion Leaders Update From Tony Payne

Resources



I enjoy sharing state and federal issues with all of you as you are centers of influence and decision making who

contribute to informed public dialog.

I hope you find these emails of interest and value and will forward them to those who will find them of use.

- Tony

Want to weigh in on the 3% income surtax repeal proposal?

Maine's tax filing deadline is today so take a look at these two issues: The 3% current surtax and a proposed **12.4% surtax**.

The 3% income surtax passed by referendum impacts all personal income greater than \$200,000.

The voters decided by a slim margin in November to fund K-12 teacher compensation to the 55% level long promised by the Legislature. From my perspective, the policy objective was funding, not taxing. However, the legislative strategist for the teacher's union disagrees. His position is that it was about **taxing the rich** to fund education. He calls it tax fairness. I call it micro-targeting for a special interest group.

[The Keep Maine Competitive](#) coalition is working to convince a majority of the legislature to repeal the 3% surtax on income greater than \$200,000 and find a more equitable source.

Why? Because approximately **11,000 of the 16,000 tax filers subject to this surtax are small businesses and partnerships** that rely on that money to run their enterprises. Those profits are used to grow jobs, buy equipment, train workers and make charitable contributions. The tax also is higher than that charged on Maine's largest corporations (10.15% vs. 8.93%).

The tax also will hit those selling businesses encouraging them to relocate to tax-friendly states prior to the sale. Once gone, they will not be coming back.

Rather than micro-targeting high incomes for specific funding purposes, the legislature needs to undertake comprehensive tax reform and make expenditures according to prioritized needs.

So what can you do as a citizen of Maine to repeal this bad public policy?

1) Contribute to the campaign to educate legislators of the 3% impact. **Checks can be made payable to the Maine Chamber of Commerce, 125 Community Drive, Augusta, ME 04330.**

2) Write to the Taxation Committee. The bill to reference is [LD 571](#) sponsored by Senator Dana Dow - "An Act to Eliminate the 3 Percent Surcharge on Certain Income and Provide an Alternative Funding Source for the Fund to Advance Public Kindergarten to Grade 12 Education." below are links to the committee members' emails.

[Senator Dana L. Dow \(R-Lincoln\), Chair](#)
[Senator Andre E. Cushing III \(R-Penobscot\)](#)
[Senator Justin M. Chenette \(D-York\)](#)
[Representative Ryan Tipping \(D-Orono\), Chair](#)
[Representative Stephen S. Stanley \(D-Medway\)](#)
[Representative Janice E. Cooper \(D-Yarmouth\)](#)
[Representative Gay M. Grant \(D-Gardiner\)](#)
[Representative Joyce McCreight \(D-Harpswell\)](#)
[Representative Maureen Fitzgerald Terry \(D-Gorham\)](#)
[Representative Gary L. Hilliard \(R-Belgrade\)*](#)
[Representative Bruce A. Bickford \(R-Auburn\)](#)
[Representative Matthew G. Pouliot \(R-Augusta\)](#)
[Representative Karleton S. Ward \(R-Dedham\)](#)

Tell the committee from your perspective how the 3% surtax will impact you, your employer and your community.

"Another surtax???"

The Maine People's Alliance (MPA) has produced a white paper proposing **taxation of all income above \$118,000** to fund universal family care (UFC). They have asked legislators to sponsor the bill that now is being drafted.

**ANOTHER
12.4%
ME TAX?**

The MPA defined the benefit for UFC as being day care for all children under the age of 4 and seniors over the age of 65. In addition, they want taxpayers to fund family leave when a child is born or a family member is taken ill.

My request to legislators is that the bill be withdrawn before it further advertises Maine's tax-happy anti-business reputation.

[Click here to read the Maine People's Alliance white paper.](#)

Here's what the Maine tax tables for personal household income would look like with Universal Family Care:

- \$0 - \$42,100 5.9%
- \$42,100 to \$75,000 6.75%
- \$75,000 to \$118,000 7.15%
- \$118,000 to \$200,000 13.35% (with the 6.2% UFC tax)

- \$200,000+ 16.35% (with 3% surtax)

The remaining 6.2%

to fund Universal Family Care would be paid as a payroll tax on all employers. That means that self-employed business owners and sub chapter S entities will shoulder the entire 12.4%.

You should contact your state representative and state senator to respectfully share your thoughts on this proposal. You may also forward this email to your own list of contacts.

*Democracy is like a muscle -
it works best when it's exercised*

Find Your State Legislators

Click here to find your Maine State legislators: <http://legislature.maine.gov/house/townlist.htm>

Your Governor

Gov. Paul LePage Governor@maine.gov

Your Congressional Delegation

Sen. Susan Collins (207) 780-3575
Sen. Angus King (207) 883-1588
Rep. Bruce Poliquin (207) 784-0768
Rep. Chellie Pingree (207) 774-5019

The President & Commander-in-Chief

Donald Trump (202) 456-1111