

# MAINE STATE LEGISLATURE

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Handwritten initials and numbers: "L.D. 138" and "2-12-15"

Date: 2-12-15

(Filing No. H-2 )

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
127TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 96, L.D. 138, Bill, "An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes, Decouple Federal Bonus Depreciation Deductions and Create a Maine Capital Investment Credit"

Amend the bill by striking out all of section 4 and inserting the following:

'Sec. 4. 36 MRSA §5122, sub-§1, ¶II is enacted to read:

II. For taxable years beginning in 2014, an amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property placed in service during the taxable year.'

Amend the bill in section 7 in paragraph NN in the 6th line (page 3, line 4 in L.D.) by striking out the following: ", subparagraph (2)"

Amend the bill in section 7 in paragraph NN in the 11th and 12th lines (page 3, lines 9 and 10 in L.D.) by striking out the following: ", subparagraph (2)"

Amend the bill in section 7 in paragraph NN in the last 2 lines (page 3, lines 13 and 14 in L.D.) by striking out the following: ", subparagraph (2)"

Amend the bill by striking out all of section 10 and inserting the following:

'Sec. 10. 36 MRSA §5200-A, sub-§1, ¶BB is enacted to read:

BB. For taxable years beginning in 2014, an amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property placed in service during the taxable year.'

Amend the bill in section 13 in paragraph Z in the 6th line (page 4, line 29 in L.D) by striking out the following: ", subparagraph (2)"

Amend the bill in section 13 in paragraph Z in the 11th line (page 4, line 34 in L.D) by striking out the following: ", subparagraph (2)"

Amend the bill in section 13 in paragraph Z in the last 2 lines (page 4, lines 37 and 38 in L.D) by striking out the following: ", subparagraph (2)"

HOUSE AMENDMENT

2016

1 Amend the bill by striking out all of section 14 and inserting the following:

2 **'Sec. 14. One-time 30% increase in property tax fairness credit.** The State  
3 Tax Assessor shall increase by 30% the property tax fairness credit allowed an individual  
4 under the Maine Revised Statutes, Title 36, section 5219-KK, subsection 2. This credit is  
5 only available for taxpayers filing for the property tax fairness credit for the tax year  
6 beginning in 2014. If an individual has filed a tax return and been given the property tax  
7 fairness credit for the tax years beginning in 2014 prior to the effective date of this  
8 section, the State Tax Assessor shall determine the amount of the credit due that taxpayer  
9 and certify it to the Treasurer of State, who shall forward the increased credit amount to  
10 that taxpayer.'

11 Amend the bill by adding after section 15 the following:

12 **'Sec. 16. Appropriations and allocations.** The following appropriations and  
13 allocations are made.

14 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
15 **Revenue Services, Bureau of 0002**

16 Initiative: Provides one-time funding for computer programming, check printing and  
17 mailing costs related to changes to accommodate the one-time 30% additional refund.

18	<b>GENERAL FUND</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
19	All Other	\$90,000	\$0	\$0
20				
21	<b>GENERAL FUND TOTAL</b>	<u>\$90,000</u>	<u>\$0</u>	<u>\$0</u>
22				

23 **SUMMARY**

24 This amendment removes the Maine capital investment credit. The savings is used to  
25 increase the amount of the income tax credit available to a taxpayer under the property  
26 tax fairness credit by 30% on a one-time basis for the tax years beginning in 2014. The  
27 amendment also adds an appropriations and allocations section.

28 **FISCAL NOTE REQUIRED**

29 (See attached)

30 SPONSORED BY:   
31 (Representative TIPPING-SPITZ)

32 TOWN: Orono



# 127th MAINE LEGISLATURE

LD 138

LR 1855(04)

**An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes, Decouple Federal Bonus Depreciation Deductions and Create a Maine Capital Investment Credit**

**Fiscal Note for House Amendment *A* to Original Bill**

**Sponsor: Rep. Tipping-Spitz of Orono**

**Fiscal Note Required: Yes**

## Fiscal Note

	FY 2014-15	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
<b>Net Cost (Savings)</b>					
General Fund	(\$206,404)	(\$300,184)	\$2,559,887	\$1,839,088	\$1,310,403
<b>Appropriations/Allocations</b>					
General Fund	\$90,000	\$0	\$0	\$0	\$0
<b>Revenue</b>					
General Fund	\$296,404	\$300,184	(\$2,559,887)	(\$1,839,088)	(\$1,310,403)
Other Special Revenue Funds	\$15,600	\$15,799	(\$134,731)	(\$96,794)	(\$68,969)

### Fiscal Detail and Notes

This floor amendment removes the provisions of the committee amendment related to extending the Maine capital investment credit for taxable years beginning in 2014. It also increases, on a one-time basis, the individual income tax refunds of all taxpayers filing for a property tax fairness credit for tax year ended December 31, 2014 by 30%. These provisions increase General Fund revenue by \$296,404 in fiscal year 2015 and by \$300,184 in fiscal year 2016, and decrease General Fund revenue by \$2,559,887 in fiscal year 2017. They also increase Local Government Funds revenue by \$15,600 in fiscal year 2015 and \$15,799 in fiscal year 2016, and decrease Local Government Funds revenue by \$134,731 in fiscal year 2017. The Department of Administrative and Financial Services will require a one-time General Fund appropriation of \$90,000 in fiscal year 2014-15 for computer programming, check printing and mailing costs related to changes to accommodate the one-time 30% additional refund.