

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
106TH LEGISLATURE

HOUSE AMENDMENT" B " to H.P. 1384, L.D. 1862, Bill, "AN ACT Reforming the Administration of the Property Tax and Replacing the Tax on Inventories with an Increased Corporate Income Tax."

Amend said Bill by striking out all of the Title and inserting in place thereof the following: 'AN ACT Replacing the Tax on Inventories by a Business Profits Tax.'

Further amend said Bill by inserting after section 20 the following:

'Sec. 20-A. R.S., T. 36, §5111-B, additional. Title 36 of the Revised Statutes is amended by adding a new section 5111-B to read as follows:

§5111-B. Business profits tax

A business profits tax is hereby imposed for each taxable year on the business profits of every individual, partnership, trust or estate required to file a Maine state income tax return. The business profits shall be the total net profit shown on line 21 of Schedule C; the net farm profit shown on line 54 of Schedule F; the income shown on line 26, increased by the deductions on line 14, of Form 1065; and the gross profit from a trade or business shown on line 5 of Form 1041.  
The amount of the tax shall be determined in accordance with the following table:

IF THE BUSINESS PROFITS ARE:

Not over \$1,000

\$1,000 but not over \$2,500

\$2,500 but not over \$5,000

\$5,000 or more

THE TAX IS:

Exempt

1% of excess over \$1,000

\$15 plus 2% of excess over \$2,500

\$65 plus 3% of excess over \$5,000.'

*(Filing No. H-604)*

Further amend said Bill by striking out all of section 21 and inserting in place thereof the following:

'Sec. 21. R.S., T. 36, §5200, amended. The 2nd paragraph of section 5200 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

4% 7% of the Maine net income of the corporation.'

Further amend said Bill by inserting after section 22 the following:

'Sec. 22-A. R.S., T. 36, §5205, amended. The 2nd sentence of section 5205 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

The tax is 4% 7% of the taxable income of the corporation or association for that taxable year under the laws of the United States, reduced by the amount of the tax payable by the corporation or association for the taxable year under chapter 817.

Sec. 22-B. Effective date. Sections 21 and 22 shall be effective on or after January 1, 1974. Section 23 shall be effective as to taxable income as defined in the Revised Statutes, Title 36, sections 5121 and 5140, attributable on or after January 1, 1974. Sections 24 and 26 shall be effective as to Maine net income attributable on or after January 1, 1974.'

*(Filing No. H-604)*

Statement of Fact

It is the intent of this amendment to provide an across-the board business profits tax on 3% which will produce an estimated \$14,972,000 in state revenue.

Filed by Mr. Simpson of Standish.

Reproduced and distributed under the direction of the Clerk of the House.

6/22/73

(Filing No. H-604)