

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. H-527)

HOUSE AMENDMENT "B" to H.P. 1514, L.D. 1749, Bill,
"AN ACT to Amend the Maine Income Tax Law."

Amend the Bill by striking out all of that part
designated "§5203." of section 3 and inserting in
its place the following:

'§5203. Minimum tax for tax preferences

1. Tax imposed. In addition to any other tax imposed
by this Part, there is hereby imposed on every taxpayer
for each taxable year, a tax equal to 15% of the federal
minimum tax which is imposed on the taxpayer for the taxable
year by the Internal Revenue Code of 1954, section 56, as
amended.

2. Capital gain tax preference item not included. In
the case of a corporation, the capital gain tax preference
item in the Internal Revenue Code of 1954, section 57 (a) (9)
(B), as amended, shall not be included as an item of tax
preference for the purpose of determining the tax liability
of a corporation under subsection 1.

3. Adjustment of tax. The tax imposed on a taxpayer by
subsection 1 shall be adjusted proportionately if only a
portion of the taxpayer's income is taxable by the State.
The State Tax Assessor shall prescribe by regulation the
adjustment of such a taxpayer's tax liability under subsection 1.'

Statement of Fact

The purpose of this amendment is to delete long-term capital gain income for a corporation from the minimum tax on tax preferences because under the state corporate tax this income is taxed at the full rate and is not now a preferred item as it is under the federal income tax law.

Filed by Mr. Carter of Bangor.

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

6/7/77

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