

MAINE STATE LEGISLATURE

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LEGISLATION FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 417

H.P. 359

House of Representatives, February 1, 1983

On Motion of Representative Higgins of Portland referred to the
Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Ingraham of Houlton.
Cosponsor: Representative Brown of Bethel.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-THREE

AN ACT Providing for Conformity with the
United States Internal Revenue Code.

Be it enacted by the People of the State of Maine as
follows:

Sec. 1. 36 MRSA §5102, sub-§8, as repealed and
replaced by PL 1981, c. 704, §1, is amended to read:

8. Maine net income. "Maine net income" means,
for any a taxable year ending in 1982 for any corpo-
rate taxpayer, the taxable income of that taxpayer
for that taxable year under the laws of the United
States as modified by sections 5200-A and 5202-B, and
allocated or apportioned to this State under chapter
821.

Sec. 2. 36 MRSA §5102, sub-§8-C is enacted to
read:

1 8-C. Maine net income. "Maine net income" means,
2 for a taxable year ending on or after January 1,
3 1983, for any corporate taxpayer, the taxable income
4 of that taxpayer for that taxable year under the laws
5 of the United States, as modified by section 5200-A,
6 and allocated or apportioned to this State under
7 chapter 821.

8 Sec. 3. 36 MRSA §5102, sub-§11, as amended by PL
9 1981, c. 704, §3, is further amended to read:

10 11. Other terms. Any other term used in this
11 Part has the same meaning as when used in a compara-
12 ble context in the laws of the United States relating
13 to federal income taxes, unless a different meaning
14 is clearly required. Any reference in this Part to
15 the laws of the United States shall be construed as a
16 reference to the provisions of the United States
17 Internal Revenue Code of 1954, and amendments thereto
18 and other provisions of the laws of the United States
19 relating to federal income taxes as of December 31,
20 ~~1980~~ 1982. This subsection shall be effective as to
21 items of income, deductions, loss or gain accruing in
22 taxable years ending on or after January 1, ~~1980~~ 1982
23 but only to the extent that those items have been
24 earned, received, incurred or accrued on or after
25 that effective date. ~~Notwithstanding other provi-~~
26 ~~sions of this subsection, for taxable years ending in~~
27 ~~1981 and 1982, any reference in this Part to the laws~~
28 ~~of the United States shall be construed as a refer-~~
29 ~~ence to the provisions of the United States Internal~~
30 ~~Revenue Code of 1954, and amendments thereto and~~
31 ~~other provisions of the laws of the United States~~
32 ~~relating to federal income taxes as of December 31,~~
33 ~~1981 for items of income, deductions, loss or gain~~
34 ~~earned, incurred or accrued within those taxable~~
35 ~~years.~~

36 Sec. 4. 36 MRSA §5200-A, sub-§1, ¶F is enacted
37 to read:

38 F. For a taxable year ending on or after January
39 1, 1983, Subchapter S corporations excepted, the
40 amount of deductions allowed for that taxable
41 year to the taxpayer as the nominal lessor in a
42 safe harbor lease pursuant to the United States
43 Internal Revenue Code, Section 168(f)(8).

1 Sec. 5. 36 MRSA §5206, sub-§3 is enacted to
2 read:

3 3. Rate. For a taxable year ending on or after
4 January 1, 1983, 4.95% of taxable income, plus 1.98%
5 of the taxable income in excess of \$25,000, provided
6 that taxable income, for purposes of this subsection,
7 shall be reduced by the amount of the corporation's
8 or association's federal new jobs credit for tax
9 years beginning on or after January 1, 1978; shall be
10 reduced by the amount of the corporation's or associ-
11 ation's credit for investment in the Maine Capital
12 Corporation for tax years beginning on or after Janu-
13 ary 1, 1979; shall be increased, for the tax year
14 ending in 1982, by the amount of deductions allowed
15 for that tax year to the taxpayer as nominal lessor
16 in a safe harbor lease pursuant to the United States
17 Internal Revenue Code, Section 168(f)(8); and is
18 reduced by the amount of the tax payable by the cor-
19 poration or association for the taxable year under
20 chapter 817.

21 STATEMENT OF FACT

22 This bill conforms the Maine income tax law to
23 the United States Internal Revenue Code for the tax
24 year 1983. Its provisions represent statutory sec-
25 tions enacted by Public Law 1981, chapter 704, that
26 were later repealed by operation of section 9 of that
27 same Act. Section 9 provided that if the State
28 Budget Officer could not certify to the Legislature
29 on December 1, 1982, that sufficient unappropriated
30 revenue was available to fund full conformity with
31 federal tax laws, then certain provisions were to be
32 automatically repealed. On December 1, 1982, the
33 State Budget Officer certified that there were not
34 sufficient funds to fund full conformity with federal
35 tax law. Thus certain provisions were repealed.
36 This bill reenacts those provisions, but as different
37 subsections.

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