## MAINE STATE LEGISLATURE

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## L.D. 774

2 3	STATE OF MAINE HOUSE OF REPRESENTATIVES (Filing No. H-22)
<b>4</b> 5	111TH LEGISLATURE FIRST REGULAR SESSION
6 7	HOUSE AMENDMENT "C" to S.P. 265, L.D. 774, Bill, "AN ACT Making Additional Appropriations from
8	the General Fund for the Current Fiscal Year Ending
9	June 30, 1983 and Changing Certain Provisions of the
10 11	Law Necessary to the Proper Operations of State Government."
12 13	Amend the Bill by inserting at the end before the emergency clause the following:
14	'PART J
15 16	Sec. 1. 36 MRSA §5102, sub-§8, as repealed and replaced by PL 1981, c. 704, §1, is repealed.
17 18	<pre>Sec. 2. 36 MRSA §5102, sub-§8-B, as repealed by PL 1981, c. 704, §9, is reenacted to read:</pre>
19	8-B. Maine net income. "Maine net income"
20	means, for any taxable year for any corporate tax-
21 22	payer, the taxable income of that taxpayer for that
23	taxable year under the laws of the United States as modified by section 5200-A and allocated or appor-
24	tioned to this State under chapter 821.
25 26	<pre>Sec. 3. 36 MRSA §5200-A, sub-§1, ¶C, as enacted by PL 1981, c. 704, §4, is amended to read:</pre>
27	C. The amount of any deduction claimed for the
28	taxable year under the United States Internal
29	Revenue Code, Section 172, which has previously
30 31	been used to offset the modifications provided by this subsection; and
32	Sec. 4. 36 MRSA §5200-A, sub-§1, ¶D, as enacted
33	by PL 1981, c. 704, §4, is repealed.
34	Sec. 5. 36 MRSA §5200-A, sub-§1, ¶E, as repealed

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1	by PL 1981, c. 704, §9, is reenacted to read:
2 3 4 5 6 7	E. For a taxable year ending in 1982, Subchapter S corporations excepted, the amount of deductions allowed for that taxable year to the taxpayer as the nominal lessor in a safe harbor lease pursuant to the United States Internal Revenue Code, Section 168(f)(8).
8 9	Sec. 6. 36 MRSA §5200-A, sub-§2, ¶¶B and C, as enacted by PL 1981, c. 704, §4, are amended to read:
10 11 12	B. The amount added to income under the United States Internal Revenue Code, Section 78, foreign dividend gross-up; and
13 14 15	C. An amount equal to the taxpayer's new jobs credit as determined under the laws of the United States; and .
16 17	<pre>Sec. 7. 36 MRSA §5200-A, sub-§2, ¶D, as enacted by PL 1981, c. 704, §4, is repealed.</pre>
18 19	<pre>Sec. 8. 36 MRSA §5202-B, as enacted by PL 1981, c. 704, §5, is repealed.</pre>
20 21	Sec. 9. 36 MRSA §5206, sub-§1, as amended by PL 1981, c. 704, §6, is repealed.
22 23	Sec. 10. 36 MRSA §5206, sub-§2, as repealed by PL 1981, c. 704, §9, is reenacted to read:
24 25 26 27 28 29 30 31	2. Rate. 4.95% of taxable income, plus 1.98% of the taxable income in excess of \$25,000, provided that taxable income, for purposes of this subsection, shall be reduced by the amount of the corporation's or association's federal new jobs credit for tax years beginning on or after January 1, 1978; shall be reduced by the amount of the corporation's or association's credit for investment in the Maine Capital
32 33	Corporation for tax years beginning on or after January 1, 1979; shall be increased, for the tax year

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2 3 4 5 6 7	for that tax year to the taxpayer as nominal lessor in a safe harbor lease pursuant to the United States Internal Revenue Code, Section 168(f)(8); and is reduced by the amount of the tax payable by the corporation or association for the taxable year under chapter 817.
8 9	<pre>Sec. 11. 36 MRSA §5206-A, as enacted by PL 1981, c. 704, §8, is repealed.</pre>
10 11 12	Sec. 12. Effective date. This Act shall be effective retroactively to tax years beginning on or after January 1, 1982.'
13	FISCAL NOTE
14 15	This amendment will result in the loss of General Fund revenues of \$3,444,000 over the next 3 years.
16	STATEMENT OF FACT
17 18 19 20	The purpose of this amendment is to provide for full federal conformity under the income tax law, with the exception of safe harbor lease benefits, as there appears to be sufficient funding available.
21	2540022283

Filed by Rep. Higgins of Scarborough Reproduced and distributed under the direction of the Clerk of the House 2/23/83 (Filing No. 22)