

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1294

H.P. 965 House of Representatives, April 21, 1987
Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative MCHENRY of Madawaska.
Cosponsored by Representative WEBSTER of Cape Elizabeth,
Senators THERIAULT of Aroostook and BLACK of Cumberland.

STATE OF MAINE

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

**AN ACT to Assure that the State
Income Tax does not Increase Due to
Changes in the Federal Income Tax Code.**

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

7 Sec. 1. 5 MRSA §1514, as enacted by PL 1987, c.
8 4, §1, is repealed.

9 Sec. 2. 36 MRSA §5102, sub-§11, as amended by PL
10 1985, c. 536, is repealed and the following enacted
11 in its place:

12 11. Other terms. Any other term used in this
13 Part has the same meaning as when used in a compara-
14 ble context in the laws of the United States relating
15 to federal income taxes, unless a different meaning

1 is clearly required. For taxable years ending on or
2 after January 1, 1986, and any reference in this Part
3 to the laws of the United States shall be construed
4 as a reference to the provisions of the United States
5 Internal Revenue Code of 1986, and amendments and
6 other provisions of the laws of the United States re-
7 lating to federal income taxes as of December 1,
8 1986. This subsection shall be effective as to items
9 of income, deductions, loss or gain accruing in tax-
10 able years ending on or after January 1, 1986, but
11 only to the extent that those items have been earned,
12 received, incurred or accrued on or after that effec-
13 tive date.

14 **Sec. 3.** 36 MRSA §5126, as amended by PL 1983, c.
15 3, §3, is repealed and the following enacted to read:

16 §5126. Personal exemptions

17 A resident individual shall be allowed an exemp-
18 tion of \$1,500 for each exemption to which he is en-
19 titled for the taxable year for federal income tax
20 purposes.

21 **Sec. 4. Application.** This Act applies to tax
22 years beginning on or after January 1, 1987.

23 STATEMENT OF FACT

24 This bill provides for the conformity with the
25 new federal Internal Revenue Code and ensures that
26 the increased state revenue resulting from conformity
27 will be returned to the taxpayers by increasing the
28 amount allowed for personal exemptions to \$1,500.

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