

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
31
33
35
37
39
41
43
45
47

STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 235,
L.D. 565, Bill, "An Act Concerning the Maine Railroad Excise Tax"

Amend the amendment by striking out everything after the
title and before the statement of fact and inserting in its place
the following:

'Amend the bill by striking out everything after the
enacting clause and before the statement of fact and inserting in
its place the following:

'Sec. 1. 36 MRSA §2621-A, sub-§3 is enacted to read:

3. Maine capital tax credit. "Maine capital tax credit" is
a credit against the tax imposed by section 2624.

A. The credit allowed against the tax imposed by section
2624 shall be in an amount equal to:

(1) The credit carry-forwards carried to the taxable
year;

(2) The amount of the current year credit; and

(3) The credit carry-backs carried to the taxable year.

B. The credit shall be an amount equal to 50% of the
expenditures for a taxable year related to capital
investments, improvements or renovations to a railroad's
operations in this State.

C. If the sum of the credit carry-forwards to the taxable
year plus the amount of the current taxable year credit
authorized in this section would reduce the tax in the
taxable year below the minimum tax set forth in section
2624, any such excess shall be:

1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
31
33
35
37
39

(1) A credit carry-back to each of the preceding 3 taxable years; and

(2) A credit carry-forward to each of the 5 taxable years following the taxable year.

D. The entire amount of the unused credit shall be carried to the earliest of the taxable years to which, by reason of this subsection, the credit may be carried and then to each of the other taxable years to the extent the unused credit may not be used for a prior taxable year. In no event may a carry-back apply to any taxable year ending prior to January 1, 1990.

Sec. 2. 36 MRSA §2624, as amended by PL 1983, c. 571, §§6 and 7, is further amended by inserting at the end a new paragraph to read:

The tax, as calculated pursuant to this section, shall be decreased by a tax credit as defined in section 2621-A, subsection 3. At no time may a tax credit be utilized to decrease the tax below the minimum tax imposed by this section.'

STATEMENT OF FACT

This amendment utilizes the existing formula and provides a credit for capital improvements and investments related to the State. As such it provides a significant inducement to upgrade existing plants and facilities and invest in new equipment and facilities as well. This amendment incorporates a tax carry-forward and carry-back for the investment tax credit; the carry-back cannot apply retroactively, hence the effect of the carry-back credit is prospective only. This credit is currently utilized in both Maine and federal tax law and provides the inducement for significant railroad investment in Maine.