

MAINE STATE LEGISLATURE

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

HOUSE AMENDMENT "B" 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
first paragraph after the title 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; plus
- (3) The credit carry-backs carried to the taxable year.

B. The credit shall be an amount equal to 45% 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, such excess shall be:

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

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(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.

E. In order for a taxpayer to qualify for a credit under this subsection, the taxpayer may not require any landowner to pay any fee or charge for maintenance or repair or to assume liability for crossings or rights-of-way if the landowner was not required to do so prior to July 1, 1987; and the taxpayer must continue to maintain crossings and rights-of-way which it was required to maintain on that date and may not remove the crossing if there is any objection to their being removed, provided that the landowner's use remains the same and that the landowner complies with requirements to keep gates secured.

Sec. 2. 36 MRSA §2624, first ¶, as amended by PL 1983, c. 571, §6, is further amended to read:

The amount of the annual excise tax on railroads shall be ascertained as follows: The amount of the gross transportation receipts for the year ended on the 31st day of December preceding the levying of the tax shall be compared with the net railway operating income for that year. When the net railway operating income does not exceed 10% of the gross transportation receipts, the tax shall be an amount equal to 3 1/4% of the gross transportation receipts. When the net railway operating income exceeds 10% of the gross transportation receipts but does not exceed 15%, the tax shall be an amount equal to 3 3/4% of the gross transportation receipts. When the net railway operating income exceeds 15% of the gross transportation receipts but does not exceed 20%, the tax shall be an amount equal to 4 1/4% of such gross transportation receipts. When the net railway operating income exceeds 20% of the gross transportation receipts but does not exceed 25%, the tax shall be an amount equal to 4 3/4% of the gross transportation receipts. When the net railway operating income exceeds 25% of the gross transportation receipts, the tax shall be an amount equal to 5 1/4% of the gross transportation receipts. The tax shall be decreased by the amount by which 5 3/4% of operating investment exceeds net railway operating income but shall in no event be decreased below a minimum amount equal to 1/4 1/2 of 1% of gross transportation receipts. In the case of railroads operating not over 50 miles of road, the tax shall not exceed 1 3/4% of the gross transportation receipts.

