

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1990

Legislative Document

No. 11

H.P. 8

House of Representatives, December 5, 1990

Submitted by the Department of Finance pursuant to Joint Rule 24.
Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative FOSS of Yarmouth.
Cosponsored by Senator WEBSTER of Franklin.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act to Conform the Maine Income Tax Law for 1990 with the United
States Internal Revenue Code.

(EMERGENCY)



2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 Whereas, the 90-day period would delay the processing of the
1990 income tax returns; and

8 Whereas, legislative action is immediately necessary to
ensure continued and efficient administration of the Maine Income
10 Tax Law and certain other state taxes; and

12 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
14 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
16 safety; now, therefore,

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

20 **Sec. 1. 36 MRSA §111, sub-§1-A,** as amended by PL 1989, c. 635,
§1 and affected by §2, is further amended to read:

22 **1-A. Code.** "Code" means the United States Internal Revenue
24 Code of 1986 and amendments to that Code as of December 31, 1989
1990.

26 **Sec. 2. Application.** This Act applies to tax years beginning
28 on or after January 1, 1990.

30 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

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FISCAL NOTE

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38 The federal Budget Reconciliation Act of 1990 contained
various provisions relative to federal individual income,
40 corporate income, excise and employment taxes. The only major
fiscal impact relative to this conformity bill arises with regard
42 to the disallowance of a portion of itemized deductions for
taxpayers over \$100,000 AGI. This adjustment commences January
1, 1991, and expires at the end of tax year 1995. The revenue
44 estimate for the biennium is:

	1991-92	1992-93
46		
48		
General Fund	\$6,073,600	\$6,358,300
Local Government Fund	326,400	341,700
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Total	<u>\$6,400,000</u>	<u>\$6,700,000</u>

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STATEMENT OF FACT

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6 This bill conforms the Maine Income Tax Law with the federal
tax laws as of December 31, 1990, for tax years beginning on or
after January 1, 1990. It recognizes any technical changes made
8 by the United States Congress to the Tax Reform Act of 1986.

10

The state estate tax and mining excise tax laws are also
affected by this conformity date, since definitions in those laws
12 also refer to the United States Internal Revenue Code.

14

Maine income tax returns for 1990 have been prepared in
anticipation of continued conformity.

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