

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 501

S.P. 192

In Senate, February 11, 1991

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator HOLLOWAY of Lincoln  
Cosponsored by Representative MAYO of Thomaston and Representative DiPIETRO of  
South Portland.

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### STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Exempt from Income Tax Certain Income of Persons Who  
Fish Commercially.**

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶¶G and H, as enacted by PL 1989, c. 880, Pt. G, §4, are amended to read:

G. For income tax years commencing on or after January 1, 1989, an amount equal to the total premiums spent for insurance policies for long-term care which that have been certified by the Superintendent of Insurance as complying with Title 24-A, chapter 68; and

H. For each taxable year subsequent to the year of the loss an amount equal to the absolute value of any net operating loss arising from tax years beginning on or after January 1, 1989, but before January 1, 1990, for which federal adjusted gross income was increased in accordance with subsection 1, paragraph H and that pursuant to the United States Internal Revenue Code, Section 172, was carried back for federal income tax purposes, but only to the extent that:

(1) Maine net income is not reduced below zero;

(2) The taxable year is within the allowable federal period for carry-over; and

(3) The amount has not been previously used as a modification pursuant to this subsection; and

Sec. 2. 36 MRSA §5122, sub-§2, ¶I is enacted to read:

I. For income tax years commencing on or after January 1, 1991, an amount equal to 25% of all income earned through commercial fishing activities. To qualify for this adjustment, the taxpayer must:

(1) Derive at least 95% of total gross income from commercial fishing;

(2) Have water frontage as part of the taxpayer's primary residence; and

(3) Provide access to the water for any other person engaged in commercial fishing.

#### STATEMENT OF FACT

This bill provides an income tax exemption for 25% of income earned through commercial fishing. It would partially offset the negative impact of the property tax on this industry and may

2 encourage people to continue their family commercial fishing businesses.