

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 1204

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H.P. 838

House of Representatives, March 20, 1991

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative FARNSWORTH of Hallowell.  
Cosponsored by Senator McCORMICK of Kennebec.

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STATE OF MAINE

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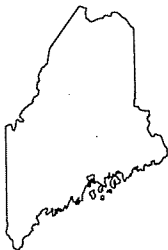
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act Concerning Interest Deductions for Corporations.**

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(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, in order to address the expected economic problems  
of the State in the next biennium in light of the constitutional  
requirement of a balanced budget, this legislation, which is a  
8 revenue raising measure, must be enacted as an emergency; and

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

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

18           **Sec. 1.** 36 MRSA §5200-A, sub-§1, ¶G, as amended by PL 1989, c.  
20 880, Pt. G, §5 and Pt. J, §1, is further amended to read:

22           G. For a taxable year ending in 1984, the sum of the  
following portions of the deductions allowed for that  
24 taxable year to the taxpayer under the United States  
Internal Revenue Code, Section 168:

- 26                   (1) 2.5% of the deductions for 3-year property;
- 28                   (2) 7.5% of the deductions for 5-year property;
- 30                   (3) 12.5% of the deductions for 10-year property; and
- 32                   (4) 20% of the deductions for 15-year property; and

34           **Sec. 2.** 36 MRSA §5200-A, sub-§1, ¶H, as enacted by PL 1989, c.  
36 880, Pt. G, §6 and Pt. J, §2, is repealed and the following  
enacted in its place:

38           H. The absolute value of the amount of any net operating  
40 loss arising from tax years beginning on or after January 1,  
1989 but before January 1, 1990 and that, pursuant to the  
42 United States Internal Revenue Code, Section 172, is being  
carried back for federal income tax purposes to the taxable  
44 year by the taxpayer;

46           **Sec. 3.** 36 MRSA §5200-A, sub-§1, ¶¶I and J are enacted to read:

48           I. Interest or dividends on obligations or securities of  
any state or of a political subdivision or authority, other  
50 than this State and its political subdivisions and  
authorities; and

