

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1722

H.P. 1179

House of Representatives, April 29, 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 McHENRY of Madawaska.

STATE OF MAINE

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

An Act Concerning Interest Paid on Savings.



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

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

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

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

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

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

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

28
30 Sec. 2. 36 MRSA §5122, sub-§2, ¶I is enacted to read:

32 I. An amount equal to that percentage of the taxpayer's
taxable interest income that corresponds to any percentage
increase in the Consumer Price Index, as defined in section
34 5402, during the taxable year.

36
38 **STATEMENT OF FACT**

40 This bill amends the law to reduce a taxpayer's Maine
adjusted gross income so that only the interest income that
42 accrued at a rate in excess of the tax year's rate of increase in
the Consumer Price Index is taxable.