

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

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Legislative Document

No. 611

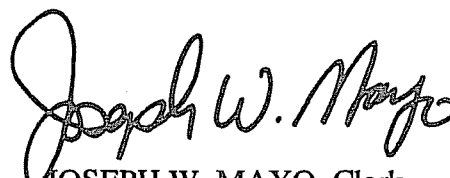
H.P. 474

House of Representatives, February 23, 1993

**An Act to Promote Job Creation, Retention and Development in Economically Depressed Areas.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative ZIRNKILTON of Mount Desert.  
Cosponsored by Representative: AULT of Wayne.

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

2  
3 Sec. 1. 36 MRSA §5200-A, sub-§2, ¶G, as amended by PL 1991, c.  
4 548, Pt. A, §29, is further amended to read:

6 G. Fifty percent of the apportionable dividend income the  
7 taxpayer received during the taxable year from an affiliated  
8 corporation that is not included with the taxpayer in a  
9 Maine combined report, except that this modification must be  
10 phased in over 5 years in accordance with the following  
11 schedule:

| 12 Taxable year beginning | 13 | 14 Subtractable     |
|---------------------------|----|---------------------|
| 15 in:                    |    | 16 dividend income: |
| 17 1989                   |    | 18 10%              |
| 19 1990                   |    | 20 20%              |
| 21 1991                   |    | 22 30%              |
| 23 1992                   |    | 24 40%              |
| 25 1993 or thereafter     |    | 26 50%; and         |

27 Sec. 2. 36 MRSA §5200-A, sub-§2, ¶H, as amended by PL 1991, c.  
28 591, Pt. N, §12 and affected by §13, is further amended to read:

29 H. For each taxable year subsequent to the year of the  
30 loss, an amount equal to the absolute value of any net  
31 operating loss arising from tax years beginning on or after  
32 January 1, 1989 but before January 1, 1993 and that,  
33 pursuant to the United States Internal Revenue Code, Section  
34 172, was carried back for federal income tax purposes, but  
35 only to the extent that:

- 36 (1) Maine net income is not reduced below zero;
- 37 (2) The taxable year is within the allowable federal  
38 period for carry-over; and
- 39 (3) The amount has not been previously used as a  
40 modification pursuant to this subsection; and

41 Sec. 3. 36 MRSA §5200-A, sub-§2, ¶I is enacted to read:

42 I. An amount equal to \$1,000 times the number of new  
43 employees hired during the tax year provided that the  
44 taxpayer is located or locates in an area of the State with  
45 an unemployment rate in the highest 25% of the State.

46 Sec. 4. Effective date. This bill is effective for tax years  
47 beginning on or after January 1, 1993.  
48  
49  
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STATEMENT OF FACT

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This bill provides a deduction from taxable income of \$1,000 per employee hired for companies that locate in areas of high unemployment.