

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

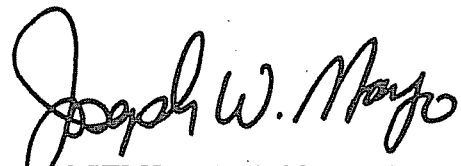
No. 1177

H.P. 868

House of Representatives, April 5, 1993

**An Act to Exempt from State Taxation the Income of Businesses
Realized by Using Waste Material in New Ways.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative VIGUE of Winslow.

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

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

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

12 Taxable year beginning	Subtractable
14 in:	dividend income:
16 1989	10%
1990	20%
18 1991	30%
1992	40%
20 1993 or thereafter	50%; and

22 **Sec. 2. 36 MRSA §5200-A, sub-§2, ¶H,** as amended by PL 1991, c.
24 591, Pt. N, §12 and affected by §13, is further amended to read:

26 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
28 January 1, 1989 but before January 1, 1993 and that,
pursuant to the United States Internal Revenue Code, Section
30 172, was carried back for federal income tax purposes, but
only to the extent that:

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

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

44 I. Net income attributable to the development or
implementation by a new business or portion of an existing
business of a new method of using waste materials, including
but not limited to bottles, plastics, tin cans, tires,
46 newspapers or other wastepaper, for the first 5 years that
the business uses that method. A business making this
48 subtraction must supply certification from the Maine Waste

2 Management Agency that the method developed or implemented
3 is new or has not been commercially used before.

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5 STATEMENT OF FACT

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7 This bill exempts from state income taxation the net income
8 or profits of a business attributable to the development or
9 implementation of a new method for using waste materials.