

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 19

S.P. 21

In Senate, January 9, 1997

**An Act to Provide an Income Tax Deduction for the Home Health Care
of Relatives.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator RUHLIN of Penobscot.
Cosponsored by Representative FISHER of Brewer and
Senator PARADIS of Aroostook, Representatives: BUCK of Yarmouth, KANE of Saco,
PAUL of Sanford, PERRY of Bangor, TRIPP of Topsham.

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶H, as amended by PL 1995, c. 639, §16, is further amended to read:

H. For each taxable year subsequent to the year of the loss, an amount equal to the absolute value of the net operating loss arising from tax years beginning on or after January 1, 1989, but before January 1, 1993, for which federal adjusted gross income was increased in accordance with subsection 1, paragraph H and that pursuant to the Code, Section 172 was carried back for federal income tax purposes, but only to the extent that:

(1) Maine taxable 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, as enacted by PL 1995, c. 639, §17, is amended to read:

I. For income tax years beginning on or after January 1, 1991, an amount equal to the amount by which federal taxable income was reduced because of vessel earnings from fishing operations that were contributed to a capital construction fund; and

Sec. 3. 36 MRSA §5122, sub-§2, ¶J is enacted to read:

J. An amount equal to the taxpayer's expenditures for health care of any relative when provided in the taxpayer's residence. The deduction may not exceed \$5,000 annually and may not be taken in conjunction with any itemized deduction for dependent health care otherwise claimed by the taxpayer.

SUMMARY

This bill allows a deduction of up to \$5,000 annually for health care provided by a taxpayer to a relative residing in the taxpayer's residence.