

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 990

H.P. 726

House of Representatives, February 11, 1997

**An Act to Exempt Unemployment Compensation Benefits from State
Income Taxation.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative TUTTLE of Sanford.
Cosponsored by Senator DAGGETT of Kennebec and
Representatives: AHEARNE of Madawaska, BERRY of Livermore, CLARK of Millinocket,
GAGNON of Waterville, GOODWIN of Pembroke, GREEN of Monmouth, SAMSON of Jay,
TRIPP of Topsham.

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

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

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

16 (1) Maine taxable income is not reduced below zero;

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

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

24 **Sec. 2. 36 MRSA §5122, sub-§2, ¶I,** as enacted by PL 1995, c.
639, §17, is amended to read:

26 I. For income tax years beginning on or after January 1,
28 1991, an amount equal to the amount by which federal taxable
income was reduced because of vessel earnings from fishing
30 operations that were contributed to a capital construction
fund; and

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

34 J. For income tax years beginning on or after January 1,
36 1998, an amount equal to the amount of unemployment
compensation benefits paid pursuant to Title 26, chapter 13.

38 **SUMMARY**

40 This bill exempts from the state income tax unemployment
42 compensation benefits.