

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 803

S.P. 234

In Senate, February 13, 2001

**An Act to Implement the Recommendations of the Joint Standing
Committee on Taxation Resulting from Its Review of Income Tax
Expenditures Pursuant to the Maine Revised Statutes, Title 36, chapter 9.**

Reported by Senator Gagnon for the Joint Standing Committee on Taxation pursuant to the
Maine Revised Statutes, Title 36, chapter 9.

Reference to the Committee on Taxation suggested and ordered printed under Joint Rule 218.

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

JOY J. O'BRIEN
Secretary of the Senate

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

2

Sec. 1. 36 MRSA §5122, sub-§2, ¶A, as repealed and replaced by
4 PL 1985, c. 737, Pt. A, §102, is amended to read:

6 A. Interest or dividends on obligations of the United
8 States and its territories and possessions or of any
authority, commission or instrumentality of the United
10 States ~~or on a seller-sponsored loan, as defined by Title~~
10 ~~10, chapter 110,~~ to the extent includable in gross income
12 for federal income tax purposes, but exempt from state
12 income taxes under the laws of the United States, provided
14 that the amount subtracted shall ~~be~~ is decreased by any
14 expenses incurred in the production of the interest or
16 dividend income to the extent that these expenses, including
16 amortizable bond premiums, are deductible in determining
federal adjusted gross income;

18

Sec. 2. 36 MRSA §5122, sub-§2, ¶D, as amended by PL 1989, c.
20 508, §16 and c. 556, Pt. B, §8, is repealed.

Sec. 3. 36 MRSA §5200-A, sub-§2, ¶C, as amended by PL 1983, c.
22 855, §21, is further amended to read:

24

26 C. An amount equal to the taxpayer's federal new jobs
26 credit or work opportunity credit as determined under the
laws of the United States;

28

Sec. 4. 36 MRSA §5200-A, sub-§2, ¶E, as amended by PL 1987, c.
30 841, §4, is repealed.

Sec. 5. 36 MRSA §5217, sub-§2, ¶C, as enacted by PL 1999, c.
32 401, Pt. NNN, §3 and affected by §§8 and 9, is amended to read:

34

36 C. "Quality child care services" has the meaning set forth
in section 5219-Q, subsection 1.

Sec. 6. 36 MRSA §5217, sub-§4, as enacted by PL 1999, c. 401,
38 Pt. NNN, §4 and affected by §§8 and 9, is amended to read:

40

42 **4. Quality child care.** The credit allowed under subsection
1 doubles in amount if the day care service provided by the
taxpayer constitutes quality child care services.

44

Sec. 7. 36 MRSA §5218, as amended by PL 1999, c. 401, Pt.
46 NNN, §5 and affected by §§8 and 9 and as repealed and replaced by
PL 1999, c. 521, Pt. B, §6 and affected by §11, is repealed and
48 the following enacting in its place:

50 **§5218. Income tax credit for child care expenses**

2 3. It amends the deduction for the new jobs credit to
indicate the change of name of the credit on the federal level.

4 4. It amends terms used in the credit for employer-assisted
day care to resolve a conflict resulting from changes made in
6 1999 and to reflect changes in terminology enacted in Public Law
1999, chapter 708.

8 5. It repeals the 1987 tax conformity credit because it is
10 obsolete.