

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND REGULAR SESSION-2004

Legislative Document

No. 1664

H.P. 1240

House of Representatives, December 16, 2003

An Act To Provide an Income Tax Modification for the Empowerment Zone Employment Credit

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 16, 2003. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SHERMAN of Hodgdon.
Cosponsored by Senator STANLEY of Penobscot and
Representatives: BRYANT-DESCHENES of Turner, CARR of Lincoln, CHURCHILL of
Washburn, COLLINS of Wells, DAVIS of Falmouth, Senators: PENDLETON of Cumberland,
ROTUNDO of Androscoggin.

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

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Sec. 1. 36 MRSA §5122, sub-§2, ¶Q, as corrected by RR 2003, c. 1, §38, is amended to read:

Q. A fraction of any amount previously added back by the taxpayer to federal adjusted gross income pursuant to subsection 1, paragraph N.

(1) With respect to property first placed in service during taxable years beginning in 2002, the adjustment under this paragraph is available for each year during the recovery period, beginning 2 years after the beginning of the taxable year during which the property was first placed in service. The fraction is equal to the amount added back under subsection 1, paragraph N with respect to the property, divided by the number of years in the recovery period minus 2.

(2) With respect to all other property, for the taxable year immediately following the taxable year during which the property was first placed in service, the fraction allowed by this paragraph is equal to 5% of the amount added back under subsection 1, paragraph N with respect to the property. For each subsequent taxable year during the recovery period, the fraction is equal to 95% of the amount added back under subsection 1, paragraph N with respect to the property, divided by the number of years in the recovery period minus 2.

In the case of property expensed pursuant to Section 179 of the Code, the term "recovery period" means the recovery period that would have been applicable to the property had Section 179 not been applied; and

Sec. 2. 36 MRSA §5122, sub-§2, ¶T, as reallocated by RR 2003, c. 1, §37, is amended to read:

T. For income tax years beginning on or after January 1, 2002, an amount equal to the total premiums spent for long-term care insurance policies certified under Title 24-A, section 5075-A as long as the amount subtracted is reduced by the long-term care premiums claimed as an itemized deduction pursuant to section 5125-; and

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

