

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 321, L.D. 436, Bill, "An Act To Eliminate Estate Taxes on Family-owned Businesses"

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 36 MRSA §4062, sub-§1-A, ¶A, as repealed and replaced by PL 2005, c. 12, Pt. N, §1 and affected by §4, is amended to read:

A. For the estates of decedents dying after December 31, 2002, "federal credit" means the maximum credit for state death taxes determined under the Code, Section 2011 as of December 31, 2002 exclusive of the reduction of the maximum credit contained in the Code, Section 2011(b)(2); the period of limitations under the Code, Section 2011(c); and the termination provision contained in the Code, Section 2011(f). The federal taxable estate is to be determined using the applicable Code as of the date of the decedent's death, except that:

(1) The state death tax deduction contained in the Code, Section 2058 is to be disregarded;

~~(2) The unified credit is to be determined under the Code, Section 2010 as of December 31, 2000;~~

2 (3) For the estates of decedents dying after December
31, 2004, the federal taxable estate must be decreased
4 by an amount equal to the value of Maine qualified
terminable interest property in the estate of the
5 decedent; and

6 (4) For the estates of decedents dying after December
7 31, 2004, the federal taxable estate must be increased
8 by an amount equal to the value of Maine elective
9 property in respect of the decedent; and'

10 Further amend the bill by striking out all of section 4 and
11 inserting in its place the following:

12 'Sec. 4. 36 MRSA §4064, first ¶, as amended by PL 2005, c. 218,
13 §42, is further amended to read:

14 A tax is imposed upon the transfer of real property and
15 tangible personal property situated in this State and held by an
16 individual who dies prior to January 1, 2002 or after December
17 31, 2002 and who at the time of death was not a resident of this
18 State. When real or tangible personal property has been
19 transferred into a trust or a limited liability company or other
20 pass-through entity, the tax imposed by this section applies as
21 if the trust or limited liability company or other pass-through
22 entity did not exist and the property was personally owned by the
23 decedent. Maine property is subject to the tax imposed by this
24 section to the extent that such property is included in the
25 decedent's federal gross estate. The amount of this tax is a sum
26 equal to that proportion of the federal credit that the value of
27 the decedent's Maine real and tangible personal property in this
28 State bears to the value of the decedent's federal gross estate.
29 All property values under this section are as finally determined
30 for federal estate tax purposes, except that for estates of
31 decedents dying after December 31, 2002 and before January 1,
32 2005 that do not incur a federal estate tax, all property values
33 are as finally determined by the assessor in accordance with the
34 Code as if the estate had incurred a federal estate tax. The
35 share of the federal credit used to determine the amount of a
36 nonresident individual's estate tax under this section is
37 computed without regard to whether the specific real or tangible
38 personal property located in the State is marital deduction
39 property.

40 **Sec. 5. Application.** That section of this Act that amends the
41 Maine Revised Statutes, Title 36, section 4062, subsection 1-A,
42 paragraph A applies to estates of decedents dying on or after
43 January 1, 2005.'

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SUMMARY

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This amendment makes changes to reflect changes made in
Public Law 2005, chapters 12 and 218.

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FISCAL NOTE REQUIRED
(See attached)

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122nd MAINE LEGISLATURE

LD 436

LR 0391(02)

An Act To Eliminate Estate Taxes on Family-owned Businesses

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$9,492,017	\$12,690,438	\$13,851,959	\$14,954,940
Revenue				
General Fund	(\$9,492,017)	(\$12,690,438)	(\$13,851,959)	(\$14,954,940)

Fiscal Detail and Notes

This bill is expected to reduce General Fund revenue by \$9,492,017 in fiscal year 2005-06 and \$12,690,438 in fiscal year 2006-07.