

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 632

H.P. 465

House of Representatives, February 8, 2005

An Act To Lower the Tax Burden for Small Businesses

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BOWEN of Rockport.
Cosponsored by Senator COURTNEY of York and
Representatives: BIERMAN of Sorrento, CLOUGH of Scarborough, McCORMICK of West
Gardiner, RECTOR of Thomaston.

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

2

Sec. 1. 36 MRSA §5122, sub-§1, ¶N, as amended by PL 2003, c.
4 588, §14, is further amended to read:

6 N. With respect to property placed in service during the
taxable year, an amount equal to the net increase in
8 depreciation or expensing attributable to:

10 (1) For taxable years beginning on or after January 1,
2002 but prior to January 1, ~~2006~~ 2005, a 30% bonus
12 depreciation deduction claimed by the taxpayer pursuant
to Section 101 of the federal Job Creation and Worker
14 Assistance Act of 2002, Public Law 107-147 with respect
to property placed in service during the taxable year;

16

18 (2) For taxable years beginning on or after January 1,
2002 but prior to January 1, ~~2006~~ 2005, a 50% bonus
depreciation deduction claimed by the taxpayer pursuant
20 to Section 201 of the federal Jobs and Growth Tax
Relief Reconciliation Act of 2003, Public Law 108-27
22 with respect to property placed in service during the
taxable year; and

24

26 (3) For taxable years beginning on or after January 1,
2003 but prior to January 1, ~~2006~~ 2005, the increase in
aggregate cost claimed under Section 179 of the Code
28 pursuant to Section 202 of the federal Jobs and Growth
Tax Relief Reconciliation Act of 2003, Public Law
30 108-27;

32 **Sec. 2. 36 MRSA §5200-A, sub-§1, ¶N,** as amended by PL 2003, c.
588, §16, is further amended to read:

34

36 N. With respect to property placed in service during the
taxable year, an amount equal to the net increase in
depreciation or expensing attributable to:

38

40 (1) For taxable years beginning on or after January 1,
2002 but prior to January 1, ~~2006~~ 2005, a 30% bonus
depreciation deduction claimed by the taxpayer pursuant
42 to Section 101 of the federal Job Creation and Worker
Assistance Act of 2002, Public Law 107-147 with respect
44 to property placed in service during the taxable year;

46 (2) For taxable years beginning on or after January 1,
2002 but prior to January 1, ~~2006~~ 2005, a 50% bonus
48 depreciation deduction claimed by the taxpayer pursuant
to Section 201 of the federal Jobs and Growth Tax
50 Relief Reconciliation Act of 2003, Public Law 108-27

2 with respect to property placed in service during the
taxable year; and

4 (3) For taxable years beginning on or after January 1,
2003 but prior to January 1, ~~2006~~ 2005, the increase in
6 aggregate cost claimed under Section 179 of the Code
pursuant to Section 202 of the federal Jobs and Growth
8 Tax Relief Reconciliation Act of 2003, Public Law
108-27;

10
12 **SUMMARY**

14 This bill conforms Maine tax law to federal provisions
concerning bonus depreciation and "Section 179" expensing by
16 eliminating the required addition to income beginning in the 2005
tax year.