

MAINE STATE LEGISLATURE

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NOTE

L.D. 700

DATE: 5.25.05

(Filing No. S-267)

TAXATION

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**STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 237, L.D. 700, Bill, "An Act To Provide Tax Benefits for Sale of Leased Land Used as a Primary Residence"

Amend the bill in section 3 by striking out all of paragraph U (page 2, lines 8 to 10 in L.D.) and inserting in its place the following:

'U. Capital gains from the sale of property to an individual who, at the time of the sale, is leasing the property for use as that individual's homestead as defined in section 681.'

Further amend the bill in section 6 by striking out all of paragraph P (page 3, lines 20 to 22 in L.D.) and inserting in its place the following:

'P. Capital gains from the sale of property to an individual who, at the time of the sale, is leasing the property for use as that individual's homestead as defined in section 681.'

Further amend the bill by inserting after section 7 the following:

'Sec. 8. Appropriations and allocations. The following appropriations and allocations are made.

COMMITTEE AMENDMENT

file

COMMITTEE AMENDMENT "A" to S.P. 237, L.D. 700

2 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
3 **DEPARTMENT OF**

4 **Maine Revenue Services 0002**

6 Initiative: Provides one-time funds for the computer programming
8 costs associated with the change in the capital gain exemption
9 for homestead property.

10	GENERAL FUND	2005-06	2006-07
12	All Other	\$30,000	\$0
14	GENERAL FUND TOTAL	<u>\$30,000</u>	<u>\$0'</u>

16

SUMMARY

18

20 This amendment clarifies that the exemption provided by the
21 bill is available only when property is sold to an individual for
22 use as that individual's homestead. It also adds an
appropriations and allocations section.

FISCAL NOTE REQUIRED
(See Attached)

COMMITTEE AMENDMENT



122nd MAINE LEGISLATURE

LD 700

LR 0692(02)

An Act To Provide Tax Benefits for Sale of Leased Land Used as a Primary Residence

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	\$38,573	\$9,901	\$10,385	\$10,904
Appropriations/Allocations				
General Fund	\$30,000	\$0	\$0	\$0
Revenue				
General Fund	(\$8,573)	(\$9,901)	(\$10,385)	(\$10,904)
Other Special Revenue Funds	(\$461)	(\$532)	(\$570)	(\$598)

Fiscal Detail and Notes

This bill is expected to reduce General Fund revenue by \$8,573 in fiscal year 2005-06 and \$9,901 in fiscal year 2006-07 as a result of an income tax exemption for certain capital gains. It also includes a one-time General Fund appropriation in fiscal year 2005-06 for Maine Revenue Services for the additional computer programming costs associated with this change.