

# MAINE STATE LEGISLATURE

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12/26/07

L.D. 1556

Date: 12/26/07

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Majority  
TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
123RD LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1081, L.D. 1556, Bill, "An Act To Recouple Maine Estate Tax with Federal Estate Tax"

Amend the bill by striking out all of sections 1 and 2 and inserting 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Sec. 1. 36 MRSA §4062, sub-§1-A, ¶A, as repealed and replaced by PL 2005, c. 12, Pt.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 and before January 1, 2008, "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;

(3) For the estates of decedents dying after December 31, 2004, but before January 1, 2008, the federal taxable estate must be decreased by an amount equal to the value of Maine qualified terminable interest property in the estate of the decedent; and

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

Sec. 2. 36 MRSA §4062, sub-§1-A, ¶A-1 is enacted to read:

A-1. For the estates of decedents dying after December 31, 2007, "federal credit" means the maximum credit for state death taxes determined under the Code, Section

COMMITTEE AMENDMENT

1 2011 as of December 31, 2007 exclusive of the reduction of the maximum credit  
2 contained in the Code, Section 2011(b)(2); the period of limitations under the Code,  
3 Section 2011(c); and the termination provision contained in the Code, Section  
4 2011(f). The federal taxable estate is to be determined using the applicable Code as  
5 of the date of the decedent's death, except that the state death tax deduction contained  
6 in the Code, Section 2058 is to be disregarded and an amount equal to the value of  
7 Maine elective property in respect to the decedent must be added; and'

8 Amend the bill by inserting after section 3 the following:

9 'Sec. 4. 36 MRSA §4062, sub-§8, as enacted by PL 2005, c. 622, §17 and  
10 affected by §33, is amended to read:

11 **8. Value.** When determining value for purposes of this chapter, "value" means, with  
12 respect to an estate or to property included in an estate, ~~including Maine qualified~~  
13 ~~terminable interest property:~~

14 A. For estates of decedents that incur a federal estate tax, the value as finally  
15 determined for federal estate tax purposes unless the State Tax Assessor has  
16 determined a different value in accordance with the Code; or

17 B. For estates of decedents dying after December 31, 2002, but before January 1,  
18 2008, that do not incur a federal estate tax, the value as determined by the State Tax  
19 Assessor in accordance with the Code as if the estate had incurred a federal estate tax.

20 **Sec. 5. 36 MRSA §4063**, as repealed and replaced by PL 2005, c. 622, §18, is  
21 amended to read:

22 **§4063. Tax on estate of resident**

23 A tax is imposed upon the transfer of the estate of every person who dies on or after  
24 January 1, 2002 and who, at the time of death, was a resident of this State. The amount  
25 of this tax is equal to the federal credit multiplied by a fraction, the numerator of which is  
26 that portion of the decedent's federal gross estate that consists of real and tangible  
27 personal property located in the State plus all intangible personal property and the  
28 denominator of which is the decedent's federal gross estate. For purposes of this section,  
29 "federal gross estate" means the decedent's federal gross estate as modified by ~~Maine~~  
30 ~~qualified terminable interest property and~~ Maine elective property.

31 **Sec. 6. 36 MRSA §4068, sub-§2, ¶B**, as enacted by PL 2005, c. 218, §43, is  
32 amended to read:

33 B. The federal gross estate, increased by the amount of adjusted taxable gifts made  
34 by the decedent after December 31, 1976 and by the aggregate amount of any specific  
35 gift tax exemption under former Code, Section 2521 used by the decedent after  
36 September 8, 1976 exceed the exclusion and related unified credit amounts ~~specified~~  
37 ~~in section 4062, subsection 1-A.'~~

38 Amend the bill in section 5 in the 2nd line (page 2, line 5 in L.D.) by striking out the  
39 following: "2007" and inserting the following: '2008'

H. 1081

COMMITTEE AMENDMENT "A" to H.P. 1081, L.D. 1556

1 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
2 section number to read consecutively.

3 **SUMMARY**

4 This amendment changes the application date of the bill from deaths occurring on or  
5 after January 1, 2007 to deaths occurring on or after January 1, 2008. It also makes  
6 technical changes to the estate tax law necessary to accomplish the intent of the bill.

7 **FISCAL NOTE REQUIRED**

8 (See attached)



# 123rd MAINE LEGISLATURE

LD 1556

LR 1104(02)

**An Act To Recouple Maine Estate Tax with Federal Estate Tax**

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

**Committee: Taxation**

**Fiscal Note Required: Yes**

## Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$20,623,786	\$31,152,282	\$2,661,581
<b>Revenue</b>				
General Fund	\$0	(\$20,623,786)	(\$31,152,282)	(\$2,661,581)

### Fiscal Detail and Notes

The changes to the Estate Tax will reduce General Fund revenue by an estimated \$20,623,786 in fiscal year 2008-09.