

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2008

Legislative Document

No. 2305

S.P. 921

April 7, 2008

An Act To Restore Benefits under the Circuitbreaker Program

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator STRIMLING of Cumberland.

Cosponsored by Representative FISCHER of Presque Isle and Senators: President EDMONDS of Cumberland, NASS of York, PERRY of Penobscot, ROTUNDO of Androscoggin, Representative: PIOTTI of Unity.

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

2 **PART A**

3 **Sec. A-1. 36 MRSA §6201, sub-§1**, as amended by PL 2007, c. 539, Pt. BBBB,
4 §1, is further amended to read:

5 **1. Benefit base.** "Benefit base" means property taxes accrued or rent constituting
6 property taxes accrued. In the case of a claimant paying both rent and property taxes for
7 a homestead, benefit base means both property taxes accrued and rent constituting
8 property taxes accrued. ~~For application periods beginning on or after August 1, 2008,~~
9 The benefit base may not exceed \$3,000 \$3,350 for single-member households and
10 \$4,000 \$4,400 for households with 2 or more members.

11 **Sec. A-2. 36 MRSA §6207, sub-§2-A** is enacted to read:

12 **2-A. Income eligibility.** For application periods beginning on or after August 1,
13 2008, a single-member household with a household income in excess of \$60,000 and a
14 household with 2 or more members with a household income in excess of \$80,000 are not
15 eligible for a benefit.

16 **Sec. A-3. 36 MRSA §6209, sub-§3** is enacted to read:

17 **3. Benefit base maximum adjustment.** Beginning March 1, 2009, the State Tax
18 Assessor shall annually multiply the household income eligibility adjustment factor by
19 the maximum benefit base amounts specified in section 6201, subsection 1, as previously
20 adjusted. The result must be rounded to the nearest \$50 and applies to the application
21 period beginning the next August 1st.

22 **Sec. A-4. 36 MRSA §6209, sub-§4** is enacted to read:

23 **4. Income eligibility adjustment.** Beginning March 1, 2009, the State Tax Assessor
24 shall annually multiply the household income eligibility adjustment factor by the
25 maximum income eligibility amounts specified in section 6207, subsection 2, as
26 previously adjusted. The result must be rounded to the nearest \$50 and applies to the
27 application period beginning the next August 1st.

28 **PART B**

29 **Sec. B-1. 36 MRSA §5200-A, sub-§2, ¶H**, as amended by PL 2007, c. 539, Pt.
30 AAAA, §1, is further amended to read:

31 H. For each taxable year subsequent to the year of the loss, an amount equal to the
32 absolute value of the net operating loss arising from tax years beginning on or after
33 January 1, 1989 but before January 1, 1993 and the absolute value of the amount of
34 any net operating loss arising from tax years beginning on or after January 1, 2002,
35 for which federal adjusted gross income was increased under subsection 1, paragraph
36 H and that, pursuant to the Code, Section 172, was carried back for federal income

1 tax purposes, less the absolute value of loss used in the taxable year of loss to offset
2 any addition modification required by subsection 1, but only to the extent that:

3 (1) Maine taxable income is not reduced below zero;

4 (2) The taxable year is within the allowable federal period for carry-over;

5 (3) The amount has not been previously used as a modification pursuant to this
6 subsection; and

7 (4) For taxable years beginning in 2008 or 2009, the amount does not exceed
8 ~~\$100,000~~ \$75,000. In the case of an affiliated group of corporations engaged in a
9 unitary business, the ~~\$100,000~~ \$75,000 threshold applies with respect to the
10 entire affiliated group of corporations.

11 **Sec. B-2. 36 MRSA §5200-A, sub-§2, ¶L**, as amended by PL 2007, c. 539, Pt.
12 AAAA, §2, is further amended to read:

13 L. An amount equal to the absolute value of any net operating loss arising from a
14 tax year beginning or ending in 2001 for which federal taxable income was increased
15 under subsection 1, paragraph M and that, pursuant to Section 102 of the federal Job
16 Creation and Worker Assistance Act of 2002, Public Law 107-147, was carried back
17 more than 2 years to the taxable year for federal income tax purposes, but only to the
18 extent that:

19 (1) Maine taxable income is not reduced below zero;

20 (2) The taxable year is either within 2 years prior to the year in which the loss
21 arose or within the allowable federal period for carry-over of net operating losses;

22 (3) The amount has not been previously used as a modification pursuant to this
23 subsection; and

24 (4) For taxable years beginning in 2008 or 2009, the amount does not exceed
25 ~~\$100,000~~ \$75,000. In the case of an affiliated group of corporations engaged in a
26 unitary business, the ~~\$100,000~~ \$75,000 threshold applies with respect to the
27 entire affiliated group of corporations.

28 SUMMARY

29 Public Law 2007, chapter 539 changed the Circuitbreaker Program by repealing
30 indexing of the maximum benefits under the program and reverting the maximum benefit
31 to the amounts prior to indexing.

32 This bill restores indexing of the maximum benefit and puts the amounts of the
33 benefit, beginning with the application period beginning August 1, 2008, at the amounts
34 they would have been, \$3,350 for single-member households and \$4,400 for multi-
35 member households, but for the changes made by Public Law 2007, chapter 539. This
36 bill also places an income cap for eligibility for benefits under the Circuitbreaker
37 Program of \$60,000 for an individual and \$80,000 for a multi-member household and
38 provides for the indexing of that cap.



123rd MAINE LEGISLATURE

LD

LR 3622(01)

An Act To Restore Benefits under the Circuitbreaker Program

Fiscal Note for Original Bill

Sponsor: Sen. Strimling of Cumberland

Committee: Not Referred

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$0	(\$14,235)	(\$4,605,765)	\$4,892,214
Revenue				
General Fund	\$0	\$14,235	\$4,605,765	(\$4,892,214)
Other Special Revenue Funds	\$0	\$765	\$252,637	(\$268,348)

Fiscal Detail and Notes

The net General Fund revenue increase that results from changes to the Maine Residents Property Tax program and changes to the net operating loss income modification is \$14,235 in fiscal year 2008-09.