

MAINE STATE LEGISLATURE

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MINORITY

L.D. 618

Date: 4-6-09

(Filing No. S- 37)

TAXATION

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 233, L.D. 618, Bill, "An Act To Reduce Income Tax on Capital Gains"

Amend the bill in section 3 by striking out all of paragraph CC (page 1, lines 28 to 30 in L.D.) and inserting the following:

'CC. Fifty percent of the amount by which the federal net long-term capital gain for the taxable year exceeds the federal net short-term capital loss for the taxable year, but only to the extent that the net gain and the net loss are used for purposes of calculating federal adjusted gross income.'

Amend the bill in section 6 by striking out all of paragraph T (page 2, lines 17 to 19 in L.D.) and inserting the following:

'T. Fifty percent of the amount by which the federal net long-term capital gain for the taxable year exceeds the federal net short-term capital loss for the taxable year, but only to the extent that the net gain and the net loss are used for purposes of calculating federal taxable income.'

Amend the bill by inserting at the end before the summary the following:

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Provides one-time funding for computer programming.

| | | |
|--------------|----------|---------|
| GENERAL FUND | 2009-10 | 2010-11 |
| All Other | \$33,000 | \$0 |

COMMITTEE AMENDMENT

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**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF
DEPARTMENT TOTALS**

| | 2009-10 | 2010-11 |
|-------------------------------------|-----------------|------------|
| GENERAL FUND | \$33,000 | \$0 |
| DEPARTMENT TOTAL - ALL FUNDS | \$33,000 | \$0 |

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SUMMARY

10 This amendment provides additional details to the bill to describe more accurately the
11 calculation of taxable capital gains and adds an appropriation section.

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FISCAL NOTE REQUIRED

(See attached)



124th MAINE LEGISLATURE

LD 618

LR 1420(02)

An Act To Reduce Income Tax on Capital Gains

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

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

| | 2009-10 | 2010-11 | Projections 2011-12 | Projections 2012-13 |
|-----------------------------------|----------------|----------------|------------------------|------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$64,504,110 | \$49,561,440 | \$51,937,010 | \$54,120,951 |
| Appropriations/Allocations | | | | |
| General Fund | \$33,000 | \$0 | \$0 | \$0 |
| Revenue | | | | |
| General Fund | (\$64,471,110) | (\$49,561,440) | (\$51,937,010) | (\$54,120,951) |
| Other Special Revenue Funds | (\$3,536,390) | (\$2,718,560) | (\$2,848,866) | (\$2,968,660) |

Fiscal Detail and Notes

Excluding one-half of long-term capital gains from individual and corporate taxes will reduce General Fund revenue by an estimated \$64,471,100 in FY 2009-10 and \$49,561,440 in FY 2010-11. Excluding one-half of long-term capital gains will also reduce revenue to and distributions from Municipal Revenue Sharing by \$3,536,390 in FY 2009-10 and \$2,718,560 in FY 2010-11. Costs to Maine Revenue Services for computer programming to accommodate these changes will be \$33,000 in the FY 2009-10.