

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 842

H.P. 578

House of Representatives, March 3, 2009

**An Act To Exclude Business and Capital Losses from Consideration  
as Income under the Circuitbreaker Program**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative RICHARDSON of Warren.  
Cosponsored by Senator RECTOR of Knox and  
Representative: KRUGER of Thomaston.

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

2 **Sec. 1. 36 MRSA §6201, sub-§9, ¶A,** as enacted by PL 2007, c. 438, §113, is  
3 amended to read:

4 A. Maine adjusted gross income must be increased by the following amounts, to the  
5 extent not included in Maine adjusted gross income:

6 (1) Contributions, including catch-up contributions, to any pension, annuity or  
7 retirement plan, including contributions to an individual retirement account under  
8 Section 408 of the Code, a simplified employee pension plan, a salary reduction  
9 simplified employee pension plan, a savings incentive match plan for employees  
10 plan and a deferred compensation plan under Section 457 of the Code and cash or  
11 deferred arrangements under Section 401 of the Code and qualified, or "Keogh,"  
12 accounts;

13 (2) Nontaxable contributions to a flexible spending arrangement under Section  
14 125 of the Code;

15 (3) Amounts excluded from gross income under Section 129 of the Code;

16 (4) Distributions from a ROTH IRA;

17 (5) Capital gains;

18 ~~(6) The absolute value of the amount of trade or business loss, net operating loss~~  
19 ~~carry-over, capital loss, rental loss, farm loss, partnership or S-Corporation loss~~  
20 ~~included in Maine adjusted gross income;~~

21 (7) Inheritance;

22 (8) Life insurance proceeds paid on death of an insured;

23 (9) Nontaxable lawsuit rewards resulting from lawsuits for actions such as  
24 slander, libel and pain and suffering, excluding reimbursements such as medical  
25 and legal expenses associated with the case;

26 (10) Support money;

27 (11) Nontaxable strike benefits;

28 (12) The gross amount of any pension or annuity, including railroad retirement  
29 benefits;

30 (13) All payments received under the federal Social Security Act and state  
31 unemployment insurance laws;

32 (14) Veterans' disability pensions;

33 (15) Nontaxable interest received from the Federal Government or any of its  
34 agencies or instrumentalities;

35 (16) Interest or dividends on obligations or securities of this State and its political  
36 subdivisions and authorities;

37 (17) Workers' compensation and the gross amount of "loss of time" insurance;  
38 and

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(18) Cash public assistance and relief, but not including relief granted under this chapter.

**Sec. 2. Application.** This Act applies to claims for benefits under the Maine Residents Property Tax Program filed on or after August 1, 2009.

**SUMMARY**

Under the Circuitbreaker Program, eligibility and benefits are based on the applicant's modified Maine adjusted gross income, among other factors. In determining Maine adjusted gross income for purposes of the program, certain losses, such as a trade or business loss or capital loss, are required to be added back to the extent that those losses are included in Maine adjusted gross income.

This bill amends the definition of "income" under the Circuitbreaker Program to remove the requirement that Maine adjusted gross income be modified by adding back any capital loss or loss from a trade or business.