MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 140

H.P. 123

House of Representatives, January 25, 2011

An Act To Eliminate the Restriction on Net Operating Loss Carryforwards

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

HEATHER J.R. PRIEST Clerk

Presented by Representative HUNT of Buxton.

Cosponsored by Representatives: EVES of North Berwick, LUCHINI of Ellsworth, McCABE of Skowhegan.

1	Be it enacted by the People of the State of Maine as follows:
2 3	Sec. 1. 36 MRSA §5122, sub-§1, ¶DD, as enacted by PL 2009, c. 213, Pt. ZZZ, §1, is amended to read:
4 5 6	DD. For any taxable year beginning in 2009, or 2010 or 2011, an amount equal to the absolute value of any net operating loss carry-forward claimed for purposes of the federal income tax.
7	SUMMARY
8 9 10 11 12	Current federal law allows a person to carry forward net operating losses from one tax year to the next. Maine law puts a 3-year moratorium on the carrying forward of net operating losses for tax years 2009, 2010 and 2011, requiring that the amount subtracted for federal income tax purposes be added back into income for purposes of computing Maine income tax.
13 14	This bill eliminates the requirement that net operating losses be added back into Maine income for tax years beginning in 2011.