

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 836

H.P. 633

House of Representatives, March 3, 2011

An Act To Repeal the Alternative Minimum Tax

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senator HASTINGS of Oxford and
Representatives: BENNETT of Kennebunk, CHASE of Wells, CURTIS of Madison, DAVIS
of Sangerville, HARMON of Palermo, RICHARDSON of Warren, TIMBERLAKE of Turner,
WATERHOUSE of Bridgton.

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

2 **Sec. 1. 36 MRSA §5203-C**, as amended by PL 2009, c. 434, §77, is repealed.

3 **Sec. 2. 36 MRSA §5217-A**, as amended by PL 2003, c. 673, Pt. JJ, §4 and
4 affected by §6, is further amended to read:

5 **§5217-A. Income tax paid to other taxing jurisdiction**

6 A resident individual is allowed a credit against the tax otherwise due under this Part,
7 ~~excluding the tax imposed by section 5203-C~~, for the amount of income tax imposed on
8 that individual for the taxable year by another state of the United States, a political
9 subdivision of any such state, the District of Columbia or any political subdivision of a
10 foreign country that is analogous to a state of the United States with respect to income
11 subject to tax under this Part that is derived from sources in that taxing jurisdiction. In
12 determining whether income is derived from sources in another jurisdiction, the assessor
13 may not employ the law of the other jurisdiction but shall instead assume that a statute
14 equivalent to section 5142 applies in that jurisdiction. The credit, for any of the specified
15 taxing jurisdictions, may not exceed the proportion of the tax otherwise due under this
16 Part, ~~excluding the tax imposed by section 5203-C~~, that the amount of the taxpayer's
17 Maine adjusted gross income derived from sources in that taxing jurisdiction bears to the
18 taxpayer's entire Maine adjusted gross income; except that, when a credit is claimed for
19 taxes paid to both a state and a political subdivision of a state, the total credit allowable
20 for those taxes does not exceed the proportion of the tax otherwise due under this Part,
21 ~~excluding the tax imposed by section 5203-C~~, that the amount of the taxpayer's Maine
22 adjusted gross income derived from sources in the other state bears to the taxpayer's
23 entire Maine adjusted gross income.

24 **Sec. 3. 36 MRSA §5219-H**, as repealed and replaced by PL 2003, c. 673, Pt. F, §1
25 and affected by §2, is amended to read:

26 **§5219-H. Application of credits against taxes**

27 **1. Meaning of tax.** Whenever a credit provision in chapter 822, other than section
28 5219-W, allows for a credit "against the tax otherwise due under this Part," "against the
29 tax imposed by this Part" or similar language, "tax" means all taxes under this Part,
30 except ~~the minimum tax imposed by section 5203-C~~ and the taxes imposed by chapter
31 827.

32 **2. Meaning of tax liability.** Whenever a credit provided for in chapter 822 is
33 limited by reference to tax liability, "tax liability" means the tax liability for all taxes
34 under this Part, except ~~the minimum tax imposed by section 5203-C~~ and the taxes
35 imposed by chapter 827.

36 **Sec. 4. 36 MRSA §5219-N, sub-§2, ¶A**, as enacted by PL 1997, c. 557, Pt. E, §1
37 and affected by §2 and Pt. G, §1, is amended to read:

38 A. An individual who is claimed as a dependent on another individual's income tax
39 return; ~~and~~

Sec. 5. 36 MRSA §5219-N, sub-§2, ¶B, as amended by PL 2003, c. 673, Pt. JJ, §5 and affected by §6, is repealed.

SUMMARY

This bill repeals the alternative minimum tax for both individual and corporate taxpayers.