

# MAINE STATE LEGISLATURE

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5/11/11  
ROFS

L.D. 1137

Date: 5/2/11

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majority

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
125TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 843, L.D. 1137, Bill, "An Act To Conform Business Expense Deductions to Federal Law"

Amend the bill by inserting after section 1 the following:

**Sec. 2. 36 MRSA §5200-A, sub-§1, ¶N**, as amended by PL 2007, c. 240, Pt. CCC, §3 and affected by §4, is further amended to read:

N. With respect to property placed in service during the taxable year, an amount equal to the net increase in depreciation or expensing attributable to:

(1) For taxable years beginning on or after January 1, 2002 but prior to January 1, 2006, a 30% bonus depreciation deduction claimed by the taxpayer pursuant to Section 101 of the federal Job Creation and Worker Assistance Act of 2002, Public Law 107-147 with respect to property placed in service during the taxable year;

(2) For taxable years beginning on or after January 1, 2002 but prior to January 1, 2006, a 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 201 of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27 with respect to property placed in service during the taxable year; and

(3) For taxable years beginning on or after January 1, 2003 but prior to January 1, 2011, the increase in aggregate cost under Section 179 of the Code arising from amendments to the Code applicable to tax years beginning on or after January 1, 2003;'

**SUMMARY**

This amendment adds corporations to the entities allowed to use the higher United States Internal Revenue Code, Section 179 expense deduction thresholds as permitted under federal income tax law.

**FISCAL NOTE REQUIRED  
(See attached)**

**COMMITTEE AMENDMENT**



# 125th MAINE LEGISLATURE

LD 1137

LR 896(02)

## An Act To Conform Business Expense Deductions to Federal Law

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

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$7,197,960	\$2,065,504	(\$1,702,489)	(\$1,439,495)
<b>Revenue</b>				
General Fund	(\$7,197,960)	(\$2,065,504)	\$1,702,489	\$1,439,495
Other Special Revenue Funds	(\$378,840)	(\$108,711)	\$89,605	\$75,763

### Fiscal Detail and Notes

Permitting businesses including corporations to claim business expense deductions for purchases to the same extent as permitted by federal law will reduce General Fund revenue and reduce revenue sharing in fiscal years 2011-12 and 2012-13. Beginning in fiscal year 2013-14, General Fund revenues will increase as well as revenue sharing owing to the smaller depreciation allowances that are anticipated to commence in that fiscal year.