

MAINE STATE LEGISLATURE

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ROPS

L.D. 65

Date: 3/26/13

Minority

(Filing No. H-13)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 57, L.D. 65, Bill, "An Act To Reduce the Income Tax on Capital Gains"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 36 MRSA §5122, sub-§2, ¶MM is enacted to read:

MM. For income tax years beginning on or after January 1, 2013, 50% of the amount of net long-term capital gains included in federal adjusted gross income.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides a one-time General Fund appropriation in fiscal year 2013-14 to the Bureau of Revenue Services for programming changes to address the modification to income tax forms.

GENERAL FUND	2013-14	2014-15
All Other	\$22,000	\$0
GENERAL FUND TOTAL	<u>\$22,000</u>	<u>\$0</u>

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to H.P. 57, L.D. 65

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SUMMARY

This amendment, which is the minority report of the committee, exempts from Maine individual income tax 50% of net long-term capital gains subject to federal income tax for the taxable year. The bill created a separate capital gains income tax rate.

The amendment also adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 65

LR 653(02)

An Act To Reduce the Income Tax on Capital Gains

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-13)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$46,481,750	\$43,443,500	\$48,375,900	\$52,424,800
Appropriations/Allocations				
General Fund	\$22,000	\$0	\$0	\$0
Revenue				
General Fund	(\$46,459,750)	(\$43,443,500)	(\$48,375,900)	(\$52,424,800)
Other Special Revenue Funds	(\$2,445,250)	(\$2,286,500)	(\$2,546,100)	(\$2,759,200)

Fiscal Detail and Notes

Exempting 50% of net long-term capital gains subject to federal income tax from Maine individual and fiduciary income tax will reduce General Fund revenue by an estimated \$46,459,750 in FY 2013-14 and \$43,443,500 in FY 2014-15. The exemption will also reduce Municipal Revenue Sharing by \$2,445,250 in FY 2013-14 and \$2,286,500 in FY 2014-15. This bill includes a General Fund appropriation of \$22,000 in FY 2013-14 to Maine Revenue Services for computer programming to accomodate these changes.