L.D. 1655

Date: 4/17/18 Minority (Filing No. S-477)

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

128TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 612, L.D. 1655, Bill, "An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes"

Amend the bill by striking out the title and substituting the following:

'An Act To Conform to the United States Internal Revenue Code of 1986 and Provide Tax Relief to Maine Families'

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

'PART A

Sec. A-1. 36 MRSA §111, sub-§1-A, as amended by PL 2017, c. 24, §1, is further amended to read:

1-A. Code. "Code" means the United States Internal Revenue Code of 1986 and amendments to that Code as of ~~December 31, 2016~~ March 23, 2018.

Sec. A-2. Application. This Part applies to tax years beginning on or after January 1, 2017 and to any prior tax years as specifically provided by the United States Internal Revenue Code of 1986 and amendments to that Code as of March 23, 2018.

PART B

Sec. B-1. 36 MRSA §5111, sub-§1-F, as enacted by PL 2015, c. 267, Pt. DD, §3, is amended to read:

1-F. Single individuals and married persons filing separate returns; tax years beginning 2017. For tax years beginning ~~on or after January 1,~~ in 2017, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
Less than $21,050	5.8% of the Maine taxable income
At least $21,050 but less than $50,000	$1,221 plus 6.75% of the excess over $21,050
$50,000 or more	$3,175 plus 7.15% of the excess over $50,000

Sec. B-2. 36 MRSA §5111, sub-§1-G is enacted to read:

1-G. Single individuals and married persons filing separate returns; tax years beginning 2018. For tax years beginning on or after January 1, 2018, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
At least $4,150 but less than $25,600	5.8% of the excess over $4,150
At least $25,600 but less than $54,900	$1,244 plus 6.75% of the excess over $25,600
$54,900 or more	$3,222 plus 7.15% of the excess over $54,900

Sec. B-3. 36 MRSA §5111, sub-§2-F, as enacted by PL 2015, c. 267, Pt. DD, §5, is amended to read:

2-F. Heads of households; tax years beginning 2017. For tax years beginning ~~on or after January 1,~~ in 2017, for unmarried individuals or legally separated individuals who qualify as heads of households:

If Maine taxable income is:	The tax is:
Less than $31,550	5.8% of the Maine taxable income
At least $31,550 but less than $75,000	$1,830 plus 6.75% of the excess over $31,550
$75,000 or more	$4,763 plus 7.15% of the excess over $75,000

Sec. B-4. 36 MRSA §5111, sub-§2-G is enacted to read:

2-G. Heads of households; tax years beginning 2018. For tax years beginning on or after January 1, 2018, for unmarried individuals or legally separated individuals who qualify as heads of households:

If Maine taxable income is:	The tax is:
At least $4,150 but less than $38,400	5.8% of the excess over $4,150
At least $38,400 but less than $82,350	$1,987 plus 6.75% of the excess over $38,400

$82,350 or more	$4,954 plus 7.15% of the excess over $82,350

Sec. B-5. 36 MRSA §5111, sub-§3-F, as enacted by PL 2015, c. 267, Pt. DD, §7, is amended to read:

3-F. Individuals filing married joint returns or surviving spouses; tax years beginning 2017. For tax years beginning ~~on or after January 1,~~ in 2017, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
Less than $42,100	5.8% of the Maine taxable income
At least $42,100 but less than $100,000	$2,442 plus 6.75% of the excess over $42,100
$100,000 or more	$6,350 plus 7.15% of the excess over $100,000

Sec. B-6. 36 MRSA §5111, sub-§3-G is enacted to read:

3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2018. For tax years beginning on or after January 1, 2018, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
At least $8,300 but less than $51,200	5.8% of the excess over $8,300
At least $51,200 but less than $109,800	$2,488 plus 6.75% of the excess over $51,200
$109,800 or more	$6,444 plus 7.15% of the excess over $109,800

Sec. B-7. 36 MRSA §5124-B, as amended by PL 2017, c. 170, Pt. D, §§5 and 6, is further amended to read:

§5124-B. Standard deduction; resident on or after January 1, 2016 but before January 1, 2018

For tax years beginning on or after January 1, 2016 but before January 1, 2018, the standard deduction of a resident individual is equal to the sum of the basic standard deduction and any additional standard deduction, subject to the phase-out under subsection 3.

1. Basic standard deduction. The basic standard deduction is:

A. For single individuals and married persons filing separate returns, the basic standard deduction is $11,600;

B. For individuals filing as heads of household, the basic standard deduction is the amount allowed under paragraph A multiplied by 1.5; and

C. For individuals filing married joint returns or surviving spouses, the basic standard deduction is the amount allowed under paragraph A multiplied by 2.

2. Additional standard deduction. The additional standard deduction is the amount allowed under the Code, Section 63(c)(3).

3. Phase-out. The total standard deduction of the taxpayer determined in accordance with subsections 1 and 2 must be reduced by an amount equal to the total standard deduction multiplied by the following fraction:

A. For single individuals and married persons filing separate returns, the numerator is the taxpayer's Maine adjusted gross income less $70,000, except that the numerator may not be less than zero, and the denominator is $75,000. In no case may the fraction contained in this paragraph produce a result that is more than one~~. The $70,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4~~;

B. For individuals filing as heads of households, the numerator is the taxpayer's Maine adjusted gross income less $105,000, except that the numerator may not be less than zero, and the denominator is $112,500. In no case may the fraction contained in this paragraph produce a result that is more than one~~. The $105,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4~~; or

C. For individuals filing married joint returns or surviving spouses, the numerator is the taxpayer's Maine adjusted gross income less $140,000, except that the numerator may not be less than zero, and the denominator is $150,000. In no case may the fraction contained in this paragraph produce a result that is more than one. ~~The $140,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4.~~

Sec. B-8. 36 MRSA §5124-C is enacted to read:

§5124-C. Standard deduction; resident on or after January 1, 2018

1. Amount. For tax years beginning on or after January 1, 2018, the standard deduction of a resident individual is equal to the standard deduction as determined in accordance with the Code, Section 63, subject to the phase-out under subsection 2.

2. Phase-out. The standard deduction of the taxpayer must be reduced by an amount equal to the total standard deduction multiplied by the following fraction:

A. For single individuals and married persons filing separate returns, the numerator is the taxpayer's Maine adjusted gross income less $80,000, except that the numerator may not be less than zero, and the denominator is $75,000. In no case may the fraction calculated pursuant to this paragraph produce a result that is more than one. The $80,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4;

B. For individuals filing as heads of households, the numerator is the taxpayer's Maine adjusted gross income less $120,000, except that the numerator may not be less than zero, and the denominator is $112,500. In no case may the fraction calculated pursuant to this paragraph produce a result that is more than one. The $120,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4; or

C. For individuals filing married joint returns or surviving spouses permitted to file a joint return, the numerator is the taxpayer's Maine adjusted gross income less $160,000, except that the numerator may not be less than zero, and the denominator is $150,000. In no case may the fraction calculated pursuant to this paragraph produce a result that is more than one. The $160,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4.

Sec. B-9. 36 MRSA §5125, sub-§3, ¶A-1 is enacted to read:

A-1. Increased by the amount of property taxes not claimed under the Code, Section 164(a)(1) and (2) as a result of the limitation under the Code, Section 164(b)(6)(B);

Sec. B-10. 36 MRSA §5125, sub-§6, as enacted by PL 2017, c. 170, Pt. D, §7, is amended to read:

6. Phase-out. For tax years beginning on or after January 1, 2016 but before January 1, 2018, the total itemized deductions of the taxpayer determined in accordance with subsections 1 through 4 must be reduced by an amount equal to the total itemized deductions multiplied by the following fraction:

A. For single individuals and married persons filing separate returns, the numerator is the taxpayer's Maine adjusted gross income less $70,000, except that the numerator may not be less than zero, and the denominator is $75,000. In no case may the fraction contained in this paragraph produce a result that is more than one~~. The $70,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4~~;

B. For individuals filing as heads of households, the numerator is the taxpayer's Maine adjusted gross income less $105,000, except that the numerator may not be less than zero, and the denominator is $112,500. In no case may the fraction contained in this paragraph produce a result that is more than one~~. The $105,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4~~; or

C. For individuals filing married joint returns or surviving spouses, the numerator is the taxpayer's Maine adjusted gross income less $140,000, except that the numerator may not be less than zero, and the denominator is $150,000. In no case may the fraction contained in this paragraph produce a result that is more than one. ~~The $140,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4.~~

Sec. B-11. 36 MRSA §5125, sub-§7 is enacted to read:

7. Phase-out. For tax years beginning on or after January 1, 2018, the total itemized deductions of the taxpayer determined in accordance with subsections 1 through 4 must be reduced by an amount equal to the total itemized deductions multiplied by the following fraction:

A. For single individuals and married persons filing separate returns, the numerator is the taxpayer's Maine adjusted gross income less $80,000, except that the numerator may not be less than zero, and the denominator is $75,000. In no case may the fraction calculated pursuant to this paragraph produce a result that is more than one. The $80,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4;

B. For individuals filing as heads of households, the numerator is the taxpayer's Maine adjusted gross income less $120,000, except that the numerator may not be less than zero, and the denominator is $112,500. In no case may the fraction calculated pursuant to this paragraph produce a result that is more than one. The $120,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4; or

C. For individuals filing married joint returns or surviving spouses permitted to file a joint return, the numerator is the taxpayer's Maine adjusted gross income less $160,000, except that the numerator may not be less than zero, and the denominator is $150,000. In no case may the fraction calculated pursuant to this paragraph produce a result that is more than one. The $160,000 amount used to calculate the numerator in this paragraph must be adjusted for inflation in accordance with section 5403, subsection 4.

Sec. B-12. 36 MRSA §5213-A, sub-§1, ¶A, as amended by PL 2015, c. 328, §4, is further amended to read:

A. ~~"Base~~ For tax years beginning before January 1, 2018, "base credit" means:

(1) For an individual income tax return claiming one personal exemption, $100 for tax years beginning in 2016 and $125 for tax years beginning on or after January 1, 2017;

(2) For an individual income tax return claiming 2 personal exemptions, $140 for tax years beginning in 2016 and $175 for tax years beginning on or after January 1, 2017;

(3) For an individual income tax return claiming 3 personal exemptions, $160 for tax years beginning in 2016 and $200 for tax years beginning on or after January 1, 2017; and

(4) For an individual income tax return claiming 4 or more personal exemptions, $180 for tax years beginning in 2016 and $225 for tax years beginning on or after January 1, 2017.

For the purposes of this paragraph, personal exemption does not include a personal exemption for an individual who is incarcerated.

Sec. B-13. 36 MRSA §5213-A, sub-§1, ¶A-1 is enacted to read:

A-1. For tax years beginning on or after January 1, 2018, "base credit" means:

(1) For single individuals, $125;

(2) For individuals filing joint returns or as heads of households, $175 plus an additional amount equal to:

(a) For individuals filing joint returns, $25 if they can claim the federal child tax credit pursuant to the Code, Section 24 for no more than one qualifying child or dependent or $50 if they can claim the credit for more than one qualifying child or dependent; or

(b) For individuals filing as heads of households, $25 if they can claim the federal child tax credit pursuant to the Code, Section 24 for 2 qualifying children or dependents or $50 if they can claim the credit for more than 2 qualifying children or dependents;

Sec. B-14. 36 MRSA §5213-A, sub-§1, ¶B, as enacted by PL 2015, c. 267, Pt. DD, §19, is amended to read:

B. "Income" means federal adjusted gross income increased by the following amounts:

(1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;

(2) Interest received to the extent not included in federal adjusted gross income;

(3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and

(4) The following amounts deducted in arriving at federal adjusted gross income:

(a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);

(b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);

(c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);

(d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);

(e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);

(f) Moving expenses pursuant to the Code, Section 62(a)(15);

(g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);

(h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);

(i) The self-employed health insurance deduction pursuant to the Code, Section 162(1);

(j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);

(k) Alimony paid pursuant to the Code, Section 62(a)(10);

(l) The IRA deduction pursuant to the Code, Section 62(a)(7);

(m) The student loan interest deduction pursuant to the Code, Section 62(a)(17); and

(n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18)~~;~~ ~~and~~.

~~(o) The domestic production activities deduction pursuant to the Code, Section 199.~~

Sec. B-15. 36 MRSA §5213-A, sub-§6, as corrected by RR 2015, c. 1, §42, is amended to read:

6. Limitations. The following individuals do not qualify for the credit under this section:

A. Married taxpayers filing separate returns; ~~or~~

B. Individuals who do not qualify as resident individuals because they do not meet the requirements of section 5102, subsection 5, paragraph A~~.~~; or

C. Individuals who can be claimed as a dependent on another taxpayer's return.

Sec. B-16. 36 MRSA §5219-KK, sub-§1, ¶A, as amended by PL 2017, c. 211, Pt. D, §6, is further amended to read:

A. ~~"Benefit~~ For tax years beginning before January 1, 2018, "benefit base" means property taxes paid by a resident individual during the tax year on the resident individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State not exceeding the following amounts:

(1) For persons filing as single individuals, $2,000;

(2) For persons filing joint returns or as heads of households that claim no more than 2 personal exemptions, $2,600; and

(3) For persons filing joint returns or as heads of households that claim 3 or more personal exemptions, $3,200.

Sec. B-17. 36 MRSA §5219-KK, sub-§1, ¶A-1 is enacted to read:

A-1. For tax years beginning on or after January 1, 2018, "benefit base" means property taxes paid by a resident individual during the tax year on the resident individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State not exceeding the following amounts:

(1) For persons filing as single individuals, $2,050;

(2) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for no more than one qualifying child or dependent or for persons filing joint returns, $2,650; and

(3) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for more than one qualifying child or dependent or for persons filing joint returns that can claim the federal child tax credit pursuant to the Code, Section 24 for at least one qualifying child or dependent, $3,250.

Sec. B-18. 36 MRSA §5219-KK, sub-§1, ¶D, as enacted by PL 2013, c. 551, §3, is amended to read:

D. "Income" means federal adjusted gross income increased by the following amounts:

(1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;

(2) Interest received to the extent not included in federal adjusted gross income;

(3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and

(4) The following amounts deducted in arriving at federal adjusted gross income:

(a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);

(b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);

(c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);

(d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);

(e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);

(f) Moving expenses pursuant to the Code, Section 62(a)(15);

(g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);

(h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);

(i) The self-employed health insurance deduction pursuant to the Code, Section 162(1);

(j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);

(k) Alimony paid pursuant to the Code, Section 62(a)(10);

(l) The IRA deduction pursuant to the Code, Section 62(a)(7);

(m) The student loan interest deduction pursuant to the Code, Section 62(a)(17); and

(n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18)~~;~~ ~~and~~.

~~(o) The domestic production activities deduction pursuant to the Code, Section 199.~~

Sec. B-19. 36 MRSA §5219-SS is enacted to read:

§5219-SS. Dependent exemption tax credit

1. Resident taxpayer. A resident individual is allowed a credit against the tax otherwise due under this Part equal to $500 for each qualifying child and dependent of the taxpayer for whom the federal child tax credit pursuant to the Code, Section 24 was claimed for the same taxable year.

2. Nonresident taxpayer. A nonresident individual is allowed a credit against the tax otherwise due under this Part equal to $500 for each qualifying child and dependent of the taxpayer for whom the federal child tax credit pursuant to the Code, Section 24 was claimed for the same taxable year, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income as modified by section 5122.

3. Part-year resident taxpayer. An individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part equal to $500 for each qualifying child and dependent of the taxpayer for whom the federal child tax credit pursuant to the Code, Section 24 was claimed for the same taxable year, multiplied by a fraction, the numerator of which is the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph A, for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income as modified by section 5122.

4. Limitation. The credit allowed by this section may not reduce the tax otherwise due under this Part to less than zero. If the taxpayer's federal child tax credit is zero for the taxable year, the credit under this section for the same taxable year is zero.

Sec. B-20. 36 MRSA §5403, first ¶, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

On or about September 15th of each year as specified in subsections ~~1~~ 1-A to 6, the assessor shall multiply the cost-of-living adjustment for taxable years beginning in the succeeding calendar year by the following:

Sec. B-21. 36 MRSA §5403, sub-§1, as enacted by PL 2015, c. 267, Pt. DD, §33, is repealed.

Sec. B-22. 36 MRSA §5403, sub-§1-A is enacted to read:

1-A. Individual income tax rate tables. By the dollar amounts of the tax rate tables specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2017;

Sec. B-23. 36 MRSA §5403, sub-§2, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

2. Standard deductions. ~~By~~ In 2016, by the dollar amount contained in section 5124-B, subsection 1, paragraph A, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2015;

Sec. B-24. 36 MRSA §5403, sub-§4, as amended by PL 2017, c. 170, Pt. D, §10, is further amended to read:

4. Individual income tax standard deduction and itemized deduction phase-out. Beginning in ~~2017~~ 2018 and each year thereafter, by the dollar amount contained in the numerator of the fraction specified in section ~~5124-B~~ 5124-C, subsection ~~3~~ 2, paragraphs A, B and C and section 5125, subsection ~~6~~ 7, paragraphs A, B and C, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, ~~2016~~ 2017;

Sec. B-25. 36 MRSA §5403, sub-§5, ¶A, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

A. Beginning in ~~2017~~ 2018 and each year thereafter, by the base credit ~~amount~~ amounts in section 5213-A, subsection 1, paragraph ~~A~~ A-1, including the additional amounts in subparagraph ~~(1)~~ (2), divisions (a) and (b), except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending

June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, ~~2016~~ 2017. If the base credit amount, adjusted by application of the cost-of-living adjustment, is not a multiple of $5, any increase must be rounded to the next lowest multiple of $5;

Sec. B-26. 36 MRSA §5403, sub-§5, ¶B, as enacted by PL 2015, c. 267, Pt. DD, §33, is repealed.

Sec. B-27. 36 MRSA §5403, sub-§6, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

6. Property tax fairness credit. Beginning in ~~2015~~ 2018 and each year thereafter, the benefit base amounts in section 5219-KK, subsection 1, paragraph ~~A~~ A-1, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2017.

Sec. B-28. 36 MRSA §5403, 2nd ¶, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

Except for subsection 5, ~~paragraphs~~ paragraph A ~~and B~~, if the dollar amount of each item, adjusted by the application of the cost-of-living adjustment, is not a multiple of $50, any increase must be rounded to the next lowest multiple of $50.

Sec. B-29. Application. Those sections of this Part that amend the Maine Revised Statutes, Title 36, section 5213-A, subsection 1, paragraph B; section 5213-A, subsection 6; and section 5219-KK, subsection 1, paragraph D and that enact Title 36, section 5125, subsection 3, paragraph A-1 and section 5219-SS apply to tax years beginning on or after January 1, 2018.

PART C

Sec. C-1. 36 MRSA §5122, sub-§1, ¶X, as amended by PL 2007, c. 539, Pt. CCC, §2, is further amended to read:

X. ~~An~~ For tax years beginning on or after January 1, 2005 but before January 1, 2018, an amount equal to the taxpayer's federal deduction relating to income attributable to domestic production activities claimed in accordance with Section 102 of the federal American Jobs Creation Act of 2004, Public Law 108-357;

Sec. C-2. 36 MRSA §5122, sub-§1, ¶KK, as enacted by PL 2015, c. 388, Pt. A, §5, is amended to read:

KK. For taxable years beginning on or after January 1, 2015 but before January 1, 2018:

(1) An amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property placed in service in the State during the taxable year for which a credit is claimed under section 5219-NN for that taxable year; and

(2) An amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property for which a credit is not claimed under section 5219-NN.

Sec. C-3. 36 MRSA §5164, sub-§1, as amended by PL 2011, c. 548, §26 and affected by §35, is further amended to read:

1. Fiduciary adjustment defined. The fiduciary adjustment is the net amount of the modifications described in section 5122, including subsection 3 if the estate or trust is a beneficiary of another estate or trust, that relates to items of income or deduction of an estate or trust. ~~Income~~ The following items, to the extent that they were deducted in calculating federal taxable income, must be added back to the fiduciary adjustment: income taxes imposed by this State or any other taxing jurisdiction; the amount of the qualified business income deduction determined under the Code, Section 199A; and interest or expenses incurred in the production of income exempt from tax under this Part ~~that were deducted in arriving at federal taxable income must be added back to the fiduciary adjustment~~. Interest or expenses incurred in the production of income taxable under this Part but exempt from federal income tax must be subtracted from the fiduciary adjustment.

Sec. C-4. 36 MRSA §5200-A, sub-§1, ¶S, as amended by PL 2007, c. 700, Pt. B, §1, is further amended to read:

S. ~~An~~ For tax years beginning on or after January 1, 2005 but before January 1, 2018, an amount equal to the taxpayer's federal deduction relating to income attributable to domestic production activities claimed in accordance with Section 102 of the federal American Jobs Creation Act of 2004, Public Law 108-357;

Sec. C-5. 36 MRSA §5200-A, sub-§1, ¶CC, as enacted by PL 2015, c. 388, Pt. A, §11, is further amended to read:

CC. For taxable years beginning on or after January 1, 2015 but before January 1, 2018:

(1) An amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property placed in service in the State during the taxable year for which a credit is claimed under section 5219-NN for that taxable year; and

(2) An amount equal to the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property for which a credit is not claimed under section 5219-NN.

Sec. C-6. 36 MRSA §5203-C, sub-§2, ¶C, as enacted by PL 2003, c. 673, Pt. JJ, §3 and affected by §6, is amended to read:

C. Taxable corporations required to file an income tax return under this Part, excluding financial institutions subject to the tax imposed by chapter 819 and persons not subject to the federal alternative minimum tax under the Code, Section 55(e). The tax imposed by this subsection does not apply to taxable corporations for tax years beginning on or after January 1, 2018.

Sec. C-7. 36 MRSA §5219-NN, as repealed and replaced by PL 2017, c. 211, Pt. D, §8, is further amended to read:

§5219-NN. Maine capital investment credit for 2015, 2016 and 2017

1. Credit allowed. A taxpayer that claims a depreciation deduction under the Code, Section 168(k) for property placed in service in the State during a taxable year that begins on or after January 1, 2015 but before January 1, 2018 is allowed a credit as follows:

A. A taxable corporation is allowed a credit against the taxes imposed by this Part in an amount equal to 9% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5200-A, subsection 1, paragraph CC, subparagraph (1) with respect to that property, except for excluded property under subsection 2; or

B. An individual is allowed a credit against the taxes imposed by this Part in an amount equal to:

(1) For taxable years beginning in 2015, 8% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph KK, subparagraph (1) with respect to that property, except for excluded property under subsection 2; and

(2) For taxable years beginning on or after January 1, 2016 but before January 1, 2018, 7% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph KK, subparagraph (1) with respect to that property, except for excluded property under subsection 2.

2. Certain property excluded. The following property is not eligible for the credit under this section:

A. Property owned by a public utility as defined by Title 35-A, section 102, subsection 13;

B. Property owned by a person that provides radio paging services as defined by Title 35-A, section 102, subsection 15;

C. Property owned by a person that provides mobile telecommunications services as defined by Title 35-A, section 102, subsection 9-A;

D. Property owned by a cable television company as defined by Title 30-A, section 2001, subsection 2;

E. Property owned by a person that provides satellite-based direct television broadcast services;

F. Property owned by a person that provides multichannel, multipoint television distribution services; and

G. Property that is not in service in the State for the entire 12-month period following the date it is placed in service in the State.

3. Limitations; carry-forward. The credit allowed under subsection 1 may not reduce the tax otherwise due under this Part to less than zero. Any unused portion of the credit may be carried forward to the following year or years for a period not to exceed 20 years.

4. Recapture. The credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer if the property forming the basis of the credit is not used in the State for the entire 12-month period following the date it is placed in service in the State. The credit must be recaptured by filing an amended return in accordance with section 5227-A for the tax year in which that property was used to calculate the credit under this section. The amended return must reflect the credit disallowed and the income modifications required by section 5122, subsection 1, paragraph KK and section 5200-A, subsection 1, paragraph CC with respect to that property.

Sec. C-8. Application. That section of this Part that amends the Maine Revised Statutes, Title 36, section 5164, subsection 1 applies to tax years beginning on or after January 1, 2018.

PART D

Sec. D-1. 36 MRSA §5200-A, sub-§1, ¶¶DD and EE are enacted to read:

DD. An amount equal to the taxpayer's deduction claimed in accordance with the Code, Section 965(c);

EE. An amount equal to the taxpayer's global intangible low-taxed income deduction claimed in accordance with the Code, Section 250(a)(1)(B);

Sec. D-2. 36 MRSA §5200-A, sub-§2, ¶G, as amended by PL 1997, c. 746, §10 and affected by §24, is further amended to read:

G. Fifty percent of the apportionable dividend income, net of related expenses and other related deductions deducted in computing federal taxable income, the taxpayer received during the taxable year from an affiliated corporation that is not included with the taxpayer in a Maine combined report~~, except that this modification must be phased in over 5 years in accordance with the following schedule:~~. Dividend income does not include subpart F income, as defined in the Code, Section 952, income included in federal taxable income in accordance with the Code, Section 951A or income included in federal taxable income in accordance with the Code, Section 965. Any amount subtracted from federal taxable income under this paragraph must be excluded from the sales factor of any apportionment formula employed to attribute income to this State;

~~Taxable year beginning in:~~	~~Subtractable dividend income:~~
~~1989~~	~~10%~~
~~1990~~	~~20%~~
~~1991~~	~~30%~~
~~1992~~	~~40%~~
~~1993 or thereafter~~	~~50%;~~

Sec. D-3. 36 MRSA §5200-A, sub-§2, ¶¶BB, CC and DD are enacted to read:

BB. An amount equal to 50% of the apportionable subpart F income, as defined in the Code, Section 952, net of related expenses and other related deductions deducted in computing federal taxable income, that the taxpayer included in federal gross income during the taxable year. Any amount subtracted from federal taxable income under this paragraph must be excluded from the sales factor of any apportionment formula employed to attribute income to this State.

CC. An amount equal to 80% of the apportionable deferred foreign income that the taxpayer included in federal gross income during the taxable year in accordance with the Code, Section 965(a) as adjusted by Section 965(b). Any amount subtracted from federal taxable income under this paragraph must be excluded from the sales factor of any apportionment formula employed to attribute income to this State.

DD. An amount equal to 50% of the apportionable global intangible low-taxed income that the taxpayer included in federal gross income during the taxable year in accordance with the Code, Section 951A, net of related expenses and other related deductions deducted in computing federal taxable income. The amount included in the sales factor of any apportionment formula employed to attribute apportionable income to this State the taxpayer included in federal gross income during the taxable year in accordance with the Code, Section 951A is 50% of the amount included in federal gross income.

Sec. D-4. Application. This Part applies to tax years beginning on or after January 1, 2017, except those sections of this Part that enact the Maine Revised Statutes, Title 36, section 5200-A, subsection 1, paragraph EE and subsection 2, paragraph DD apply to tax years beginning on or after January 1, 2018.

PART E

Sec. E-1. 36 MRSA §5200, sub-§1, as amended by PL 2005, c. 618, §6 and affected by §22, is further amended to read:

1. Imposition and rate of tax prior to 2020. ~~A~~ For tax years beginning before January 1, 2020, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

If the income is:	The tax is:
Not over $25,000	3.5% of the income
$25,000 but not over $75,000	$875 plus 7.93% of the excess over $25,000
$75,000 but not over $250,000	$4,840 plus 8.33% of the excess over $75,000
$250,000 or more	$19,418 plus 8.93% of the excess over $250,000

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first $250,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 8.93%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first $250,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 8.93%.

Sec. E-2. 36 MRSA §5200, sub-§1-A is enacted to read:

1-A. Imposition and rate of tax beginning 2020. For tax years beginning on or after January 1, 2020, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

If the income is:	The tax is:
Not over $25,000	3.5% of the income
$25,000 but not over $75,000	$875 plus 7.93% of the excess over $25,000
$75,000 or more	$4,840 plus 8.33% of the excess over $75,000

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first $75,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 8.33%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first $75,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 8.33%.

Sec. E-3. 36 MRSA §5200, sub-§§2 to 4, as enacted by PL 2005, c. 457, Pt. FFF, §1 and affected by §2, are amended to read:

2. Business activity only within Maine. For purposes of ~~subsection~~ subsections 1 and 1-A, with respect to a taxable corporation or group of corporations that derive income from a unitary business carried on by 2 or more members of an affiliated group with income from business activity that is taxable only by Maine, "income" means Maine net income.

3. Business activity within and outside Maine. For purposes of ~~subsection~~ subsections 1 and 1-A, with respect to a taxable corporation with income from business activity that is taxable both within and without this State, "income" means the corporation's net income. The tax amount computed under ~~subsection~~ subsections 1 and 1-A must then be apportioned under the provisions of chapter 821 to determine the amount of tax imposed on that corporation.

4. Business activity within and outside Maine; unitary business. For purposes of ~~subsection~~ subsections 1 and 1-A, with respect to taxable corporations that derive income from a unitary business carried on by 2 or more members of an affiliated group with business activity that is taxable both within and without this State, "income" means the net income of the entire group. The tax amount computed under ~~subsection~~ subsections 1 and 1-A must then be apportioned under the provisions of chapter 821 for the entire group to determine the amount of tax imposed on the taxable corporations.

PART F

Sec. F-1. 5 MRSA §12004-I, sub-§18-B, as enacted by PL 1997, c. 732, §1, is amended to read:

18-B.

Education: Financial Aid	Advisory Committee on ~~College~~ Education Savings	Not Authorized	20-A MRSA §11484

Sec. F-2. 20-A MRSA §11471, sub-§1, as enacted by PL 1997, c. 732, §4, is amended to read:

1. Advisory committee. "Advisory committee" means the Advisory Committee on ~~College~~ Education Savings established in this chapter.

Sec. F-3. 20-A MRSA §11471, sub-§7, as enacted by PL 1997, c. 732, §4, is amended to read:

7. Higher education expenses. "Higher education expenses" means the certified expenses for attendance at an institution of higher education as those expenses are defined by rule of the authority consistent with applicable provisions of the federal Internal Revenue Code of 1986 and its regulations addressing qualified state tuition programs. Beginning January 1, 2018, "higher education expenses" has the same meaning as "qualified higher education expenses" as defined in Section 529 of the federal Internal Revenue Code of 1986 and amendments to that Code and its regulations addressing qualified state tuition programs.

Sec. F-4. 20-A MRSA §11472, as enacted by PL 1997, c. 732, §4, is amended to read:

§11472. Maine Education Savings Program

The Maine ~~College~~ Education Savings Program, referred to in this chapter as the "program," is established to encourage the investment of funds to be used for higher education expenses at institutions of higher education and, beginning January 1, 2018, and as long as permitted by provisions of Section 529 of the federal Internal Revenue Code of 1986, expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school. The authority shall administer the program and act as administrator of the program fund.

Sec. F-5. 20-A MRSA §11477, sub-§2, ¶C, as enacted by PL 1997, c. 732, §4, is amended to read:

C. Receipt by the beneficiary of a scholarship or educational funding, identified by rule of the authority, resulting in an excess of funds in the account not needed to pay higher education expenses at an institution of higher education.

Sec. F-6. 20-A MRSA §11479, as enacted by PL 1997, c. 732, §4, is amended to read:

§11479. Tax exemption

The assets of the program fund, all program earnings and any income from operations are exempt from all taxation by the State or any of its political subdivisions. A deposit to any account, transfer of that account to a successor participant, designation of a successor beneficiary of that account, credit of program earnings to that account or qualified distribution from that account used for the purpose of paying higher education expenses of the designated beneficiary of that account pursuant to this chapter, as long as that distribution does not exceed the limits established in Section 529 of the federal Internal Revenue Code of 1986 or rollover distributions permitted under Section 529 of the federal Internal Revenue Code of 1986, does not subject that participant, the estate of that participant or any beneficiary to any state income or estate tax liability. In the event of cancellation or termination of a participation agreement and distribution of funds to a participant, the increase in value over the amount deposited in the program fund by that participant may be taxable to that participant in the year distributed.

Sec. F-7. 20-A MRSA §11484, as amended by PL 2017, c. 200, §§1 and 2, is further amended to read:

§11484. Advisory Committee on Education Savings

The Advisory Committee on ~~College~~ Education Savings, referred to in this chapter as the "advisory committee," is created to provide advice to the authority on the operation of the program and investment of the program fund.

1. Membership. The advisory committee consists of 8 members as follows:

B-2. One member appointed by the Governor from the public;

C. Four members appointed by the Governor with experience in and knowledge of institutional investment of funds; and

F. Three members appointed by the chair of the board who are members of the board.

The chair of the advisory committee must be appointed annually by the chair of the board.

2. Terms. Members appointed by the Governor must be appointed for terms of 4 years. Members appointed by the chair of the board are appointed for terms of one year. Members may be removed for cause.

3. Compensation. Members of the advisory committee are compensated in accordance with Title 5, chapter 379.

Sec. F-8. 36 MRSA §5122, sub-§2, ¶J, as amended by PL 2003, c. 390, §33, is further amended to read:

J. To the extent included in federal adjusted gross income, any amount constituting a qualified distribution from an account established pursuant to Title 20-A, chapter 417-E ~~and used for paying higher education expenses of the designated beneficiary of that account~~;

Sec. F-9. Maine Revised Statutes amended; revision clause. Wherever in the Maine Revised Statutes the words "Maine College Savings Program" appear or reference is made to that program or those words, those words are amended to read or mean, as appropriate, "Maine Education Savings Program" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

PART G

Sec. G-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for computer programming changes.

GENERAL FUND	**2017-18**	**2018-19**
All Other	$0	$180,000
GENERAL FUND TOTAL	$0	$180,000

SUMMARY

This amendment, which is the minority report of the committee, replaces the bill and does the following.

Part A updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986 as amended through March 23, 2018 for tax years beginning on or after January 1, 2017 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended. Part A primarily affects the State's income and estate tax laws.

Part B makes the following changes to the individual income tax.

1. It reduces the individual income tax for tax years beginning on or after January 1, 2018 by eliminating the tax on taxable income up to $4,150 for single individuals and head of household filers and up to $8,300 for individuals filing married joint returns or surviving spouses permitted to file a joint return.

2. For tax years beginning on or after January 1, 2018, it changes the Maine standard deduction to conform to the federal standard deduction and increases the amount at which the standard deduction begins to phase out.

3. It increases Maine itemized deductions by the amount of real and personal property taxes not claimed for federal income tax purposes as a result of the $10,000 limitation, which is $5,000 in the case of a married individual filing a separate return, applicable to the aggregate of state, local and foreign income taxes, or state and local general sales taxes in lieu of state and local income taxes, and property taxes. Both the federal limitation and the increase in Maine itemized deductions apply to tax years beginning on or after January 1, 2018.

4. For tax years beginning on or after January 1, 2018, it increases the amount at which the Maine itemized deduction begins to phase out.

5. It amends the sales tax fairness credit and the property tax fairness credit by replacing references to the number of exemptions claimed on the taxpayer's return with references to dependents claimed under the federal child tax credit and removing the requirement to add the federal domestic production activities deduction to income for purposes of the programs in response to federal tax changes made in the federal Tax Cuts and Jobs Act of 2017. It also provides for the adjustment for inflation of the sales tax fairness credit and the property tax fairness credit beginning in 2019.

6. It establishes a new tax credit equal to $500 for each qualifying child and dependent of the taxpayer for whom the federal child tax credit pursuant to the Internal Revenue Code, Section 24 is claimed for the same taxable year. The new credit is available for tax years beginning on or after January 1, 2018.

Part C makes the following changes to the individual and corporate income taxes.

1. It repeals Maine's domestic production activities deduction income modification. The related federal deduction is repealed for tax years beginning on or after January 1, 2018.

2. It repeals the addition modifications that reverse, for Maine tax purposes, the effects of the federal bonus depreciation deduction and repeals the related Maine capital investment tax credit. Both changes apply to tax years beginning on or after January 1, 2018.

3. It requires that any amount claimed as a special deduction provided by the Internal Revenue Code, Section 199A must be added back to federal taxable income for purposes of calculating income tax liability of estates and trusts under the Maine Revised Statutes,

Title 36, chapters 809 and 811. Individual taxpayers are not allowed the special deduction provided by the Internal Revenue Code, Section 199A in calculating Maine taxable income; this section provides similar treatment to estates and trusts.

4. It eliminates the corporate alternative minimum tax for tax years beginning after December 31, 2017.

Part D makes the following corporate income tax changes regarding the federal mandatory repatriation of deferred foreign income under the federal Tax Cuts and Jobs Act of 2017, the taxation of dividends, subpart F income as defined in Section 952 of the Internal Revenue Code, or "Code," and global intangible low-taxed income.

1. It creates an addition modification in the amount of the participation exemption claimed in accordance with the Code, Section 965(c). This provision applies to tax years beginning on or after January 1, 2017.

2. It creates an addition modification in the amount of the global intangible low-taxed income deduction claimed in accordance with the Code, Section 250(a)(1)(B). This provision applies to tax years beginning on or after January 1, 2018.

3. It makes technical clarifications, removing obsolete language from the existing dividends-received subtraction, clarifying netting and sales factor treatment consistent with administrative practice and excluding from dividend income subpart F income, global intangible low-taxed income included in federal taxable income in accordance with the Code, Section 951A and deferred foreign income included in federal taxable income in accordance with the Code, Section 965. This provision applies to tax years beginning on or after January 1, 2017.

4. It creates a subtraction modification for an amount equal to 50% of the apportionable subpart F income included in federal gross income by the taxpayer. This section codifies the longstanding administrative practice of applying the existing dividends-received subtraction to subpart F income, as well as dividends. This provision applies to tax years beginning on or after January 1, 2017.

5. It creates a subtraction modification for an amount equal to 80% of the apportionable deferred foreign income included in federal gross income, pursuant to the Code, Section 965(a) and (b), by the taxpayer. This provision applies to tax years beginning on or after January 1, 2017.

6. It creates a subtraction modification for an amount equal to 50% of the apportionable global low-taxed intangible income included in federal gross income, pursuant to the Code, Section 951A, by the taxpayer. This provision applies to tax years beginning on or after January 1, 2018.

Part E reduces corporate income tax rates beginning in 2020. The current rate structure for taxable corporations consists of 3.5%, 7.93%, 8.33% and 8.93% taxable income brackets. The rate structure for tax years beginning after December 31, 2019 consists of 3.5%, 7.93% and 8.33% taxable income brackets.

Part F amends the Maine College Savings Program to change the name to the Maine Education Savings Program and, as a result of recent federal changes to the Internal Revenue Code, Section 529, qualified tuition programs, extends the ability to use the program for enrollment or attendance expenses at an elementary or secondary public, private or religious school and to receive favorable federal tax treatment on the earnings portions of such disbursements. Part F provides for changes to the Maine Revised Statutes to reflect the change to the name of the program. Part F also conforms the program's state tax treatment of such disbursements to federal law.

Part G provides funding for computer programming changes needed as a result of the changes made in this amendment.

FISCAL NOTE REQUIRED

(See attached)

Approved: 04/12/18 mac

128th MAINE LEGISLATURE

LD 1655 **LR 2770(03)**

An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes

Fiscal Note for Bill as Amended by Committee Amendment "B" (S-477)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	$9,228,660	$80,272,500	$56,011,277	$68,891,183
Revenue				
General Fund	($9,228,660)	($80,272,500)	($56,011,277)	($68,891,183)
Other Special Revenue Funds	($188,340)	($1,552,500)	($2,653,225)	($3,323,220)

Fiscal Detail and Notes

This amendment provides tax conformity with the Tax Cuts and Jobs Act (TCJA) and other tax changes passed by the federal government through March 23, 2018. It also makes various other changes to individual and corporate income tax laws. It would result in a loss of General Fund revenue of $9,228,660 in fiscal year 2017-18 and $80,272,500 in fiscal year 2018-19 and a loss of Local Government Fund revenue of $188,340 in fiscal year 2017-18 and $1,552,500 in fiscal year 2018-19.