

MAINE STATE LEGISLATURE

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ANC

Date: 5/6/19

Report A

(Filing No. H-211)

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 669, L.D. 905, Bill, "An Act To Exempt Long-term Capital Gains from Income Tax for Certain Income Levels"

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

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'An Act To Provide an Income Tax Deduction for Certain Long-term Capital Gains'

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

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

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QQ. For individuals filing a married joint return for the tax year having federal adjusted gross income of \$150,000 or less and individuals filing all other returns having federal adjusted gross income of \$75,000 or less and at least one of the taxpayers filing the return is 62 years of age or older, an amount equal to net long-term capital gains included in federal adjusted gross income that:

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(1) Are attributable to sales during the taxable year of publicly traded securities as defined in 15 United States Code, Section 78m(h)(8)(B);

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(2) That were not acquired by the taxpayer as a gift or by inheritance; and

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(3) Have been held by the taxpayer for a holding period, as determined under the Code, of 10 years or longer beginning on October 1, 2019 or the date of acquisition, whichever is later.'

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

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This amendment provides an income tax deduction for certain long-term capital gains related to securities held for at least 10 years after October 1, 2019 that were not acquired by gift or inheritance if at least one of the taxpayers filing the tax return is 62 years of age or older and the federal adjusted gross income of the individuals filing the return is

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 669, L.D. 905

1 \$150,000 or less for individuals filing married joint returns and \$75,000 or less for all
2 other returns.

FISCAL NOTE REQUIRED
(See Attached)



129th MAINE LEGISLATURE

LD 905

LR 2024(02)

An Act To Exempt Long-term Capital Gains from Income Tax for Certain Income Levels

Fiscal Note for Bill as Amended by Committee Amendment

A(H-211)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Future biennium revenue decrease - General Fund

Future biennium revenue decrease - Other Special Revenue Fund

Fiscal Detail and Notes

This bill allows certain taxpayers an income tax deduction for certain long-term capital gains related to securities held for at least 10 years after October 1, 2019. Fiscal year 2029-30 would be the first year state revenue would be reduced. No estimate is made of the future revenue loss to the General Fund and the Local Government Fund at this time. However, for comparison purposes, if all gains on qualified assets held 10 years or more and realized by eligible taxpayers in tax year 2020 were exempt, the revenue reduction would be in the \$3 million range.