

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE

ONE HUNDRED AND EIGHTH LEGISLATURE

FIRST REGULAR SESSION

January 5, 1977 to July 25, 1977

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 164, SUBSECTION 6.

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rather than to be involved in the cost or impact of acquisition and relocation.

Sec. 5. Evaluation of allocation to State Police. The Department of Audit shall evaluate and determine the portion of State Police activities related to highway transportation and that portion related to other responsibilities. The purpose is to consider on a factual basis that portion of the State Police budget which should be supported from the Highway Fund and General Fund respectively. The department should complete its study and report its findings to the Bureau of the Budget prior to October 1, 1978, for preparation of the next biennium's budget.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect July 1, 1977.

Effective July 1, 1977

CHAPTER 424

AN ACT to Amend the Maine Income Tax Law.

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

Sec. 1. 36 MRSA § 5127, as enacted by P&SL 1969, c. 154, § F, is repealed and the following enacted in its place:

§ 5127. Income tax credits

1. Credit for income tax paid to another taxing jurisdiction.

A. A resident individual shall be allowed a credit against the tax otherwise due under this Part for the amount of any income tax imposed on him for the taxable year by another state of the United States, a political subdivision thereof, the District of Columbia or any Canadian Province on income derived from sources therein and which is also subject to tax under this Part.

B. The credit provided under this section shall not exceed the proportion of the tax otherwise due under this Part that the amount of the taxpayer's adjusted gross income derived from sources in the other taxing jurisdiction bears to his entire adjusted gross income as modified by this Part.

2. Income tax credit for child care expenses. A resident individual shall be allowed a credit against the tax otherwise due under this Part in the amount of 15% of the federal tax credit allowable for child care expenses. In no case will this credit reduce the Maine income tax to less than zero.

Sec. 2. 36 MRSA § 5146 is enacted to read:

§ 5146. Child care credit

A nonresident individual shall be allowed a credit against the tax otherwise due under this Part in the amount of 15% of the federal tax credit allowable for child care expenses, except that this credit shall be limited by the percentage that his Maine adjusted gross income bears to his federal adjusted gross income. In no case will this credit reduce the Maine income tax to less than zero.

Sec. 3. 36 MRSA c. 818 is enacted to read:

CHAPTER 818

ADDITIONAL TAXES

§ 5203. Minimum tax for tax preferences

1. Tax imposed. In addition to any other tax imposed by this Part, there is hereby imposed on every taxpayer for each taxable year, a tax equal to 15% of the federal minimum tax which is imposed on the taxpayer for the taxable year by the Internal Revenue Code of 1954, section 56, as amended.

2. Capital gain tax preference item not included. In the case of a corporation, the capital gain tax preference item in the Internal Revenue Code of 1954, section 57 (a) (9) (B), as amended, shall not be included as an item of tax preference for the purpose of determining the tax liability of a corporation under subsection 1.

3. Adjustment of tax. The tax imposed on a taxpayer by subsection 1 shall be adjusted proportionately if only a portion of the taxpayer's income is taxable by the State. The State Tax Assessor shall prescribe by regulation the adjustment of such a taxpayer's tax liability under subsection 1.

§ 5204. Lump-sum retirement plan distributions

In addition to any other tax imposed by this Part, a tax is hereby imposed for each taxable year on every taxpayer who, in accordance with the Internal Revenue Code, section 402(e) (1), elects to compute a separate federal tax on a lump-sum distribution from a retirement plan at the rate of 15% of the separate federal tax imposed on such distribution.

Sec. 4. Effective date. This Act shall be effective for tax years beginning in 1977 and thereafter.

Effective October 24, 1977

CHAPTER 425

AN ACT to Revise Primary and Nomination Petitions.