

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out all of Part B and inserting the following:

PART B

Sec. B-1. 36 MRSA §5200-A, sub-§1, ¶S, as amended by PL 2007, c. 539, Pt. CCC, §14, is further amended to read:

S. 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; and

Sec. B-2. 36 MRSA §5200-A, sub-§1, ¶T, as enacted by PL 2007, c. 539, Pt. CCC, §15, is amended to read:

T. For taxable years beginning on or after January 1, 2008 but prior to January 1, 2010, an amount equal to the net increase in depreciation attributable to the 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 103 of the Economic Stimulus Act of 2008, Public Law 110-185 with respect to property placed in service during the taxable year; and

Sec. B-3. 36 MRSA §5200-A, sub-§1, ¶U is enacted to read:

U. For tax years beginning in 2008, 10% of the absolute value in excess of \$100,000 of any net operating loss that, pursuant to the Code, Section 172, is being carried over for federal income tax purposes to the taxable year by the taxpayer.

Sec. B-4. 36 MRSA §5200-A, sub-§2, ¶Q, as amended by PL 2007, c. 539, Pt. CCC, §17, is further amended to read:

Q. For income tax years beginning on or after January 1, 2006, to the extent included in federal taxable income and not otherwise removed from Maine taxable income, an amount equal to the total of capital gains and ordinary income resulting from depreciation recapture determined in accordance with the Code, Sections 1245 and 1250 that is realized upon the sale of property certified as multifamily affordable housing property by the Maine State Housing Authority in accordance with Title 30-A, section 4722, subsection 1, paragraph AA; and

Sec. B-5. 36 MRSA §5200-A, sub-§2, ¶R, as enacted by PL 2007, c. 539, Pt. CCC, §18, is amended to read:

R. For taxable years beginning on or after January 1, 2009, an amount equal to the net decrease in the depreciation deductions allowable under sections 167 and 168 of the Code that would have been applicable to that property had the 50% bonus depreciation deduction under Section 103 of the Economic Stimulus Act of 2008, Public Law 110-185 not been claimed with respect to such property for which an addition was required under subsection 1, paragraph T in a prior year.

Upon the taxable disposition of property to which this paragraph applies, the amount of any gain or loss includable in federal adjusted gross income must be adjusted for Maine income tax purposes by an amount equal to the difference between the addition modification for such property under subsection 1, paragraph T and the subtraction modifications allowed pursuant to this paragraph.

The total amount of subtraction claimed for property under this paragraph for all tax years may not exceed the addition modification under subsection 1, paragraph T for the same property; and

Sec. B-6. 36 MRSA §5200-A, sub-§2, ¶S is enacted to read:

S. An amount equal to the value of any prior year addition modification under subsection 1, paragraph U, but only to the extent that:

(1) Maine taxable income is not reduced below zero;

(2) The taxable year is within the allowable federal period for carryover of the net operating loss plus one year; and

,

(3) The amount has not been previously used as a modification pursuant to this subsection.

SUMMARY

This amendment removes the changes to the recapture of carry-back net operating losses proposed in the bill. This amendment requires for income tax years beginning in 2008 a corporation to increase its income, for Maine income tax purposes, by 10% of the value in excess of \$100,000 of any net operating loss carried over for federal income tax purposes and allows the corporation during the allowable federal period for carryover of the loss plus one year to reduce its income, for Maine income tax purposes, by a like amount, with certain limitations.