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An Act To Exclude Business and Capital Losses from Consideration as Income under the Circuitbreaker Program

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

Sec. 1. 36 MRSA §6201, sub-§9, ¶A, as enacted by PL 2007, c. 438, §113, is amended to read:

A. Maine adjusted gross income must be increased by the following amounts, to the extent not included in Maine adjusted gross income:

- (1) Contributions, including catch-up contributions, to any pension, annuity or retirement plan, including contributions to an individual retirement account under Section 408 of the Code, a simplified employee pension plan, a salary reduction simplified employee pension plan, a savings incentive match plan for employees plan and a deferred compensation plan under Section 457 of the Code and cash or deferred arrangements under Section 401 of the Code and qualified, or "Keogh," accounts;
- (2) Nontaxable contributions to a flexible spending arrangement under Section 125 of the Code;
- (3) Amounts excluded from gross income under Section 129 of the Code;
- (4) Distributions from a ROTH IRA;
- (5) Capital gains;
- (6) ~~The absolute value of the amount of trade or business loss, net operating loss carry-over, capital loss, rental loss, farm loss, partnership or S-Corporation loss included in Maine adjusted gross income;~~
- (7) Inheritance;
- (8) Life insurance proceeds paid on death of an insured;
- (9) Nontaxable lawsuit rewards resulting from lawsuits for actions such as slander, libel and pain and suffering, excluding reimbursements such as medical and legal expenses associated with the case;

- (10) Support money;
- (11) Nontaxable strike benefits;
- (12) The gross amount of any pension or annuity, including railroad retirement benefits;
- (13) All payments received under the federal Social Security Act and state unemployment insurance laws;
- (14) Veterans' disability pensions;
- (15) Nontaxable interest received from the Federal Government or any of its agencies or instrumentalities;
- (16) Interest or dividends on obligations or securities of this State and its political subdivisions and authorities;
- (17) Workers' compensation and the gross amount of "loss of time" insurance; and
- (18) Cash public assistance and relief, but not including relief granted under this chapter.

Sec. 2. Application. This Act applies to claims for benefits under the Maine Residents Property Tax Program filed on or after August 1, 2009.

SUMMARY

Under the Circuitbreaker Program, eligibility and benefits are based on the applicant's modified Maine adjusted gross income, among other factors. In determining Maine adjusted gross income for purposes of the program, certain losses, such as a trade or business loss or capital loss, are required to be added back to the extent that those losses are included in Maine adjusted gross income.

This bill amends the definition of "income" under the Circuitbreaker Program to remove the requirement that Maine adjusted gross income be modified by adding back any capital loss or loss from a trade or business.