

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 inserting after the enacting clause and before section 1 the following:

‘Sec. 1. 36 MRSA §5122, sub-§1, ¶X, as amended by PL 2007, c. 437, §16, is further amended to read:

X. 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. 2. 36 MRSA §5122, sub-§1, ¶Y, as enacted by PL 2007, c. 437, §17 and affected by §22, is amended to read:

Y. Any amount of allowable deduction claimed for federal purposes in accordance with the election under Section 642(g) of the Code that is also used to determine the taxable estate for purposes of calculating the Maine estate tax under chapter 575-; and

Sec. 3. 36 MRSA §5122, sub-§1, ¶Z is enacted to read:

Z. For income tax years beginning on or after January 1, 2008, a resident individual's proportional share of the amount of any creditable income tax deducted pursuant to Section 703 of the Code by a pass-through entity in which the individual is a member, when the individual claims the credit allowed by section 5217-A, subsection 2, paragraph B with respect to those taxes.’

Amend the bill by inserting after section 2 the following:

‘Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Provides funds for the administrative costs associated with the income modification for certain pass-through entities, including funds for a 0.25 FTE Tax Examiner position.

GENERAL FUND	2007-08	2008-09
POSITIONS - FTE COUNT	0.000	0.250
Personal Services	\$0	\$6,756
All Other	\$0	\$21,534
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GENERAL FUND TOTAL	\$0	\$28,290

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

SUMMARY

This amendment ensures that amounts used to calculate the income tax credit for certain members of pass-through entities cannot also be used as a deduction from income. It also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)