



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 234

S.P. 70

In Senate, February 5, 2013

**An Act To Provide Tax Treatment Consistency for Limited Liability
Companies and S Corporations**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator WOODBURY of Cumberland.
Cosponsored by Representative NELSON of Falmouth and
Senators: HASKELL of Cumberland, HILL of York, KATZ of Kennebec, Representatives:
BENNETT of Kennebunk, CHASE of Wells, HOBBS of Saco, KNIGHT of Livermore
Falls, STANLEY of Medway.

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

2 **Sec. 1. 36 MRSA §5122, sub-§1, ¶FF**, as amended by PL 2011, c. 644, §14, is
3 further amended to read:

4 FF. For taxable years beginning in 2011 and 2012:

5 (1) An amount equal to the depreciation deduction claimed by the taxpayer
6 under the Code, Section 168(k) with respect to property placed in service in the
7 State during the taxable year for which a credit is claimed under section
8 5219-GG; and

9 (2) An amount equal to the net increase in depreciation attributable to the
10 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)
11 with respect to property for which a credit is not claimed under section 5219-GG;
12 ~~and~~

13 **Sec. 2. 36 MRSA §5122, sub-§1, ¶GG**, as enacted by PL 2011, c. 644, §15 and
14 affected by §33, is amended to read:

15 GG. The amount claimed as a deduction in determining federal adjusted gross
16 income that is used to calculate the credit for Maine fishery infrastructure investment
17 under section 5216-D-; and

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

19 HH. For income tax years beginning on or after January 1, 2014, a resident
20 individual's proportional share of the amount of any creditable income tax deducted
21 pursuant to Section 703 of the Code by a pass-through entity of which the individual
22 is a member when the individual claims the credit allowed by section 5217-A,
23 subsection 2, paragraph B with respect to those taxes.

24 **Sec. 4. 36 MRSA §5217-A**, as amended by PL 2003, c. 673, Pt. JJ, §4 and
25 affected by §6, is repealed and the following enacted in its place:

26 **§5217-A. Income tax paid to other taxing jurisdiction**

27 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
28 following terms have the following meanings.

29 A. "Creditable income tax" means a tax imposed by another state of the United
30 States, a political subdivision of any such state, the District of Columbia or any
31 political subdivision of a foreign country that is analogous to a state of the United
32 States with respect to income subject to tax under this Part that is derived from
33 sources in that taxing jurisdiction. In determining whether income is derived from
34 sources in another jurisdiction, the assessor may not employ the law of the other
35 jurisdiction but shall instead assume that a statute equivalent to section 5142 applies
36 in that jurisdiction.

37 B. "Member" has the same meaning as in section 5250-B, subsection 1, paragraph A.

