

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: March 20, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst
Re: Final Amendment Review - LD 234 *QC*

An amendment and fiscal note are attached for your review.

L.D. 234, An Act To Provide Tax Treatment Consistency for Limited Liability Companies and S Corporations

- The Committee voted on March 1, 2013 with a unanimous report of OTPA.
- The amendment removes unnecessary language related to the alternative minimum tax and adds an appropriations section for administrative cost.
- A fiscal note is required.

Please let me know if you have any questions or concerns about this amendment.

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Date: (Filing No. S-)

TAXATION

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**STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " " to S.P. 70, L.D. 234, Bill, "An Act To Provide Tax Treatment Consistency for Limited Liability Companies and S Corporations"

Amend the bill in section 4 in §5217-A in subsection 2 in the 2nd and 3rd lines (page 2, lines 4 and 5 in L.D.) by striking out the following: "excluding the tax imposed by section 5203-C."

Amend the bill in section 4 in §5217-A in subsection 3 in the 2nd and 3rd lines (page 2, lines 12 and 13 in L.D.) by striking out the following: "excluding the tax imposed by section 5203-C."

Amend the bill in section 4 in §5217-A in subsection 3 in the 3rd and 4th lines from the end (page 2, lines 17 and 18 in L.D.) by striking out the following: "excluding the tax imposed by section 5203-C."

Amend the bill by inserting after section 5 the following:

'Sec. 6. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides a one-time General Fund appropriation in fiscal year 2014-15 to the Bureau of Revenue Services to cover computer programming costs associated with the income modification.

GENERAL FUND	2013-14	2014-15
All Other	\$0	\$11,000
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$11,000</u>

COMMITTEE AMENDMENT

ROFS

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SUMMARY

This amendment removes references to the Maine Revised Statutes, Title 36, section 5203-C because the state alternative minimum tax imposed does not apply to resident individuals, trusts and estates or nonresident individuals, trusts and estates for tax years beginning on or after January 1, 2012. This amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 234

LR 138(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$494,950	\$2,002,200	\$2,051,050	\$2,112,800
Appropriations/Allocations				
General Fund	\$0	\$11,000	\$0	\$0
Revenue				
General Fund	(\$494,950)	(\$1,991,200)	(\$2,051,050)	(\$2,112,800)
Other Special Revenue Funds	(\$26,050)	(\$104,800)	(\$107,950)	(\$111,200)

Fiscal Detail and Notes

General Fund revenue and Municipal Revenue Sharing are reduced by an income tax credit provided to members of certain pass-through entities on taxes imposed on the members' shares of the pass-through entities' income for tax years beginning on or after January 1, 2014. This bill includes a one-time General Fund appropriation to the Bureau of Revenue Services to pay for computer programming costs associated with the income modification.