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**Public Law**  
123rd Legislature  
Second Regular Session

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**Chapter 700**  
**S.P. 921 - L.D. 2305**

**An Act To Restore Benefits under the Circuitbreaker Program**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** a transfer from unappropriated surplus must be made in order to increase General Fund reserves at the close of fiscal year 2007-08 to reduce the risk of an adverse effect on the General Fund budget of a deteriorating national economy and high oil prices; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**PART A**

**Sec. A-1. 36 MRSA §6201, sub-§1,** as amended by PL 2007, c. 539, Pt. BBBB, §1, is further amended to read:

**1. Benefit base.** "Benefit base" means property taxes accrued or rent constituting property taxes accrued. In the case of a claimant paying both rent and property taxes for a homestead, benefit base means both property taxes accrued and rent constituting property taxes accrued. ~~For application periods beginning on or after August 1, 2008, the~~The benefit base may not exceed ~~\$3,000~~\$3,350 for single-member households and ~~\$4,000~~\$4,400 for households with 2 or more members.

**Sec. A-2. 36 MRSA §6207, sub-§2-A** is enacted to read:

**2-A. Income eligibility.** For application periods beginning on or after August 1, 2008, a single-member household with a household income in excess of \$60,000 and a household with 2 or more members with a household income in excess of \$80,000 are not eligible for a benefit.

**Sec. A-3. 36 MRSA §6209, sub-§3** is enacted to read:

**3. Benefit base maximum adjustment.** Beginning March 1, 2009, the State Tax Assessor shall annually multiply the household income eligibility adjustment factor by the maximum benefit base amounts specified in section 6201, subsection 1, as previously adjusted. The result must be rounded to the nearest \$50 and applies to the application period beginning the next August 1st.

**Sec. A-4. 36 MRSA §6209, sub-§4** is enacted to read:

**4. Income eligibility adjustment.** Beginning March 1, 2009, the State Tax Assessor shall annually multiply the household income eligibility adjustment factor by the maximum income eligibility amounts specified in section 6207, subsection 2, as previously adjusted. The result must be rounded to the nearest \$50 and applies to the application period beginning the next August 1st.

## 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.

## PART C

**Sec. C-1. Transfer from unappropriated surplus at close of fiscal year 2007-08 to Maine Budget Stabilization Fund.** Notwithstanding any other provision of law, at the close of fiscal year 2007-08 the State Controller shall transfer from the unappropriated surplus of the General Fund an amount up to \$10,000,000 to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532 after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made; as the first priority after the transfers required pursuant to Title 5, sections 1507 and 1511; and before the transfer required pursuant to Title 5, section 1536 and the transfer pursuant to Public Law 2007, chapter 240, Part MM.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.

Effective April 24, 2008.