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An Act To Amend the Laws Governing Income Tax To Allow an Age-based Write-off of Capital Losses

CONCEPT DRAFT SUMMARY

This bill is a concept draft pursuant to Joint Rule 208.

Under current federal law, an individual is allowed to reduce ordinary income by any capital losses up to the extent of any capital gains or \$3,000, whichever is lower. If the individual has more than \$3,000 in capital losses, the excess may be carried forward to the next tax year.

This bill proposes, for Maine income tax purposes, to increase the maximum deduction for capital losses based on the individual's age. The older an individual is, the greater the amount of capital loss that could be taken.