

§1074. Taxable bond option

With respect to all or any portion of any issue of bonds or any series of bonds which any municipality may issue in accordance with the limitations and restrictions of this subchapter, the municipality may covenant and consent that the interest on the bonds shall be includable, under the United States Internal Revenue Code of 1954 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law. Bonds issued pursuant to this section shall not be subject to any limitations or restrictions of any law which may limit the municipality's power to issue those bonds or to the procedures set forth in section 1063 or in section 1064, subsection 1. Any bonds or issue or series of bonds with respect to which the municipality covenants and consents that the interest on the bonds shall be includable, under the United States Internal Revenue Code of 1954 or any subsequent corresponding internal revenue law of the United States in the gross income of the holders of the bonds to the same extent and in the same manner that interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law shall be a properly authorized, legal, valid, binding and enforceable obligation of the municipality, regardless of whether the bonds were authorized, executed, delivered or issued prior to or after the effective date of this section. The foregoing grant of power shall not be construed as limiting the inherent power of municipalities under any other provision of law to issue debt, the interest on which is includable in the gross income of the holders of the interest under the United States Internal Revenue Code or any subsequent law. [RR 2009, c. 2, §10 (COR).]

SECTION HISTORY

PL 1985, c. 593, §7 (NEW). PL 1987, c. 393, §15 (AMD). RR 2009, c. 2, §10 (COR).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.