

MAINE STATE LEGISLATURE

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(After Deadline)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 2257

H.P. 1708

House of Representatives, March 15, 1984

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Mitchell of Vassalboro.

Cosponsors: Senator Conley of Cumberland, Senator Wood of York and Representative Benoit of So. Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FOUR

AN ACT to Exclude Social Security
Benefits from Taxation.

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

36 MRSA §5122, sub-§2, as amended by PL 1983, c. 519, §25, is further amended to read:

2. Subtractions. For tax years beginning on or after January 1, 1977, federal adjusted gross income shall be reduced by:

A. Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States or on a seller-sponsored loan, as defined by Title 10, section 974, sub-

1 section 16 to the extent includible in gross in-
2 come for federal income tax purposes but exempt
3 from state income taxes under the laws of the
4 United States, provided that the amount sub-
5 tracted shall be decreased by any expenses in-
6 curred in the production of the interest or divi-
7 dend income to the extent that these expenses,
8 including amortizable bond premiums, are deduct-
9 ible in determining federal adjusted gross in-
10 come; and

11 B. An amount equal to the taxpayer's federal new
12 jobs credit as determined under the laws of the
13 United States; and

14 C. Social security benefits paid by the United
15 States, to the extent included in federal ad-
16 justed gross income.

17 STATEMENT OF FACT

18 Beginning in 1984, some social security recipi-
19 ents face federal taxation of their benefits. The
20 purpose of this bill is to exclude these benefits
21 from state taxation.

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