

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 16

H.P. 23

House of Representatives, January 14, 2003

**An Act to Increase the Income Tax Deduction on Private, Public and
Military Pensions from \$6,000 to \$10,000**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative DAVIS of Falmouth.
Cosponsored by Representatives: ANDREWS of York, CHURCHILL of Orland, HONEY of
Boothbay, JACOBSEN of Waterboro, JOY of Crystal, LEWIN of Eliot, SHERMAN of
Hodgdon, VAUGHAN of Durham.

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

4 **Sec. 1. 36 MRSA §5122, sub-§2, ¶M,** as amended by PL 2001, c.
396, §34 and affected by §50, is further amended to read:

6 M. An amount, for each recipient of benefits under an
employee retirement plan, that is the lesser of:

8 (1) ~~Six~~ Ten thousand dollars reduced by the total
10 amount of the primary recipient's social security
12 benefits and railroad retirement benefits paid by the
14 United States, but not less than \$0. The reduction
does not apply to benefits paid under a military
retirement plan; or

16 (2) The aggregate of benefits received by the primary
18 recipient under employee retirement plans and included
in federal adjusted gross income.

20 For purposes of this paragraph, "employee retirement plan"
means a state, federal or military retirement plan or any
22 other retirement benefit plan established and maintained by
an employer for the benefit of its employees under Section
24 401(a), Section 403 or Section 457(b) of the Code.
"Employee retirement plan" does not include an individual
26 retirement account under Section 408 of the Code, a Roth IRA
under Section 408A of the Code, a rollover individual
28 retirement account, a simplified employee pension under
Section 408(k) of the Code or an ineligible deferred
30 compensation plan under Section 457(f) of the Code. For
32 purposes of this paragraph, "military retirement plan" means
benefits received as a result of service in the active or
34 reserve components of the Army, Navy, Air Force, Marines or
Coast Guard;

36 **Sec. 2. Application.** That section of this Act that amends the
Maine Revised Statutes, Title 36, section 5122, subsection 2,
38 paragraph M applies to tax years beginning on or after January 1,
2004.

42 **SUMMARY**

44 This bill increases from \$6,000 to \$10,000 the amount of the
state income tax deduction for income received from public,
46 private and military pensions.