

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

L.D. 1745

DATE: 3-9-04

(Filing No. H-755)

MINORITY  
TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
SECOND SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1267, L.D. 1745, Bill, "An Act To Exempt Unemployment Benefits from State Income Tax"

Amend the bill by striking out all of section 3 and inserting in its place the following:

'Sec. 3. 36 MRSA §5122, sub-§2, ¶U is enacted to read:

U. Unemployment compensation as defined under the United States Internal Revenue Code, Section 85 to the extent included in federal adjusted gross income.'

Further amend the bill by inserting after section 4 the following:

'Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL  
SERVICES, DEPARTMENT OF**

**Maine Revenue Services 0002**

Initiative: Provides funds for a part-time Tax Examiner position (30 hours per week) and other related administrative costs associated with exempting unemployment benefits from the income tax.

**COMMITTEE AMENDMENT**

10/18

COMMITTEE AMENDMENT "A" to H.P. 1267, L.D. 1745

2	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
	Positions - Legislative Count	(0.000)	(1.000)
4	Personal Services	\$0	\$37,654
	All Other	0	17,459
6		<hr/>	<hr/>
	General Fund Total	\$0	\$55,113'
8			

10

**SUMMARY**

12

This amendment clarifies the unemployment benefits to which the exemption applies.

14

16

**FISCAL NOTE REQUIRED**  
(See attached)

**121st Maine Legislature  
Office of Fiscal and Program Review**

**LD 1745**

**An Act To Exempt Unemployment Benefits from State Income Tax**

**LR 2252(02)**

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Taxation**

**Fiscal Note Required: Yes**




---

**Fiscal Note**

	<b>2003-04</b>	<b>2004-05</b>	<b>Projections 2005-06</b>	<b>Projections 2006-07</b>
<b>Net Cost (Savings)</b>				
General Fund	\$2,446,066	\$6,034,838	\$5,745,441	\$5,715,138
<b>Appropriations/Allocations</b>				
General Fund	0	\$55,113	\$48,037	\$50,212
<b>Revenue</b>				
General Fund	(\$2,446,066)	(\$5,979,725)	(\$5,697,404)	(\$5,664,926)
Other Special Revenue Funds	(\$131,454)	(\$321,355)	(\$312,516)	(\$310,734)

**Fiscal Detail and Notes**

This bill will reduce revenue generated through the income tax by \$2,577,520 in fiscal year 2003-04 and \$6,301,080 in fiscal year 2004-05. Maine Revenue Services will also require a General Fund appropriation of \$55,113 in fiscal year 2004-05 for a part time Tax Examiner position and other related administrative costs.