

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1361

H. P. 1102

House of Representatives, March 20, 1979

On Motion of Mrs. Post of Owl's Head, referred to the Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Locke of Sebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

**AN ACT to Exempt from the Maine Income Tax all Disability Payments Under
the State Retirement System.**

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

36 MRSA § 5122, sub-§ 2, as repealed and replaced by PL 1977, c. 686, § 9, is repealed and the following enacted in its place:

2. Subtractions. Federal adjusted gross income shall be reduced by:

A. For tax years beginning on or after January 1, 1977:

(1) 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 to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States, provided that the amount subtracted shall be decreased by any expenses incurred in the production of the interest or dividend income to the extent that these expenses, including amortizable bond premiums, are deductible in determining federal adjusted gross income; and

(2) An amount equal to the taxpayer's federal new jobs credit as determined under the laws of the United States.

B. For tax years beginning on or after January 1, 1980, an amount equal to the taxpayer's state disability retirement allowance.

STATEMENT OF FACT

This bill allows a recipient of a Maine State Retirement System disability allowance to exclude that allowance from his Maine state income tax.