

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-973)  
109TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1722, L.D. 1826, Bill,  
"AN ACT to Exempt from Maine Income Tax Interest Earned on Accounts  
in Maine Financial Institutions."

Amend the Bill by striking out all of the title and inserting  
in its place the following: 'AN ACT to Provide a Limited  
Exemption from Maine Income Tax on Interest Earned on Accounts in  
Maine Financial Institutions and on Certain Dividends.'

Further amend the Bill in subsection 2 by striking out all  
of paragraph C and inserting in its place the following:

'C. For tax years beginning on or after January 1, 1980,  
interest on savings accounts, savings deposits, NOW  
accounts, time deposits, certificates of deposit or other  
passbook or nonpassbook accounts or special purpose  
accounts which bear interest and are maintained in a  
financial institution, and dividends on share accounts in  
credit unions  
and dividends of the type eligible for partial exclusion  
from federal gross income under the United States Internal  
Revenue Code, Section 116, up to and including the follow-  
ing aggregate amount for each taxable year:

(1) For single individuals, married persons filing  
separate returns and trusts and estates, \$200, less  
the amount by which the federal gross income of the  
taxpayer is decreased in accordance with the United  
States Internal Revenue Code, section 116;

(2) For unmarried or legally separated taxpayers who qualify as heads of household, \$300, less the amount by which the federal gross income of the taxpayer is decreased in accordance with the United States Internal Revenue Code, section 116; and

(3) For married taxpayers, widows and widowers filing joint income tax returns, \$400, less the amount by which the federal gross income of the taxpayers or taxpayer, as the case may be, is decreased in accordance with the United States Internal Revenue Code, section 116.

"Financial institution" means a savings bank, trust company, industrial bank, savings and loan association, commercial bank or credit union organized under the laws of the State of Maine or organized under provisions of federal law and maintaining an office in this State.'

Further amend the bill by striking out all of the last paragraph before the statement of fact.

#### Fiscal Note

This legislation will result in an annual loss of \$2.7 million in fiscal year 1980-81.

Statement of Fact

This bill allows a limited exclusion from Maine income of certain interest on savings accounts and certain dividends up to an aggregate amount of \$200 to \$400. Adjustments are made to account for the same dividends.

Reported by Report "A" of the Committee on Taxation  
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the House  
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