

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
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3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
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5 Legislative Document

No. 415

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7 H.P. 357

House of Representatives, February 1, 1983

8 On Motion of Representative Higgins of Portland referred to the  
9 Committee on Taxation. Sent up for concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Ketover of Portland.

Cosponsors: Representative Mitchell of Freeport, Representative Erwin of  
Rumford and Senator Twitchell of Oxford.

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12 STATE OF MAINE  
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14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
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17 AN ACT to Provide Income Tax Relief for  
18 Retired and Disabled Veterans.  
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20 Be it enacted by the People of the State of Maine as  
21 follows:

22 36 MRSA §5122, sub-§2, as repealed and replaced  
23 by PL 1977, c. 686, § 9, is amended to read:

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

27 A. Interest or dividends on obligations of the  
28 United States and its territories and possessions  
29 or of any authority, commission or instrumental-  
30 ity of the United States to the extent includible  
31 in gross income for federal income tax purposes  
32 but exempt from state income taxes under the laws  
33 of the United States, provided that the amount

1 subtracted shall be decreased by any expenses  
2 incurred in the production of the interest or  
3 dividend income to the extent that these  
4 expenses, including amortizable bond premiums,  
5 are deductible in determining federal adjusted  
6 gross income; and

7 B. An amount equal to the taxpayer's federal new  
8 jobs credit as determined under the laws of the  
9 United States; ;

10 C. The amount of any pension, annuity or retire-  
11 ment pay received by an individual for a disabili-  
12 ty which resulted from services as a member of  
13 the Armed Forces of the United States; and

14 D. The first \$2,000 of any pension, annuity or  
15 retirement pay received by an individual for ser-  
16 vices as a member of the Armed Forces of the  
17 United States.

18 STATEMENT OF FACT

19 This bill excludes noncombat related military  
20 disability payments and the first \$2,000 per year of  
21 military retirement pay from income taxation. Dis-  
22 ability pay for combat-related injuries are currently  
23 exempt.

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