

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 803

6
7 S.P. 258

In Senate, February 16, 1983

8 Referred to the Committee on Taxation, sent down for concurrence and
9 ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Brown of Washington.
11

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Partially Exempt Retirement
18 Pay from Maine State Income Tax.
19

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

22 Sec. 1. 36 MRSA §5122, sub-§2, ¶¶A and B, as
23 enacted by PL 1977, c. 686, §9, are amended to read:

24 A. Interest or dividends on obligations of the
25 United States and its territories and possessions
26 or of any authority, commission or instrumental-
27 ity of the United States to the extent includible
28 in gross income for federal income tax purposes
29 but exempt from state income taxes under the laws
30 of the United States, provided that the amount
31 subtracted shall be decreased by any expenses
32 incurred in the production of the interest or
33 dividend income to the extent that these
34 expenses, including amortizable bond premiums,

1 are deductible in determining federal adjusted
2 gross income; and

3 B. An amount equal to the taxpayer's federal new
4 jobs credit as determined under the laws of the
5 United States;

6 Sec. 2. 36 MRSA §5122, sub-§2, ¶¶C and D are
7 enacted to read:

8 C. The first \$3,000 of any pension, annuity or
9 retirement benefit received by an individual for
10 services as a member of the Armed Forces of the
11 United States; and

12 D. The first \$3,000 of any pension, annuity or
13 retirement benefit received from the retirement
14 or pension system of another state.

15 STATEMENT OF FACT

16 This bill exempts from the state income tax the
17 first \$3,000 of military retirement pay and retire-
18 ment pay received from other state governments.

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