

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1979

6
7 H.P. 1403

House of Representatives, February 7, 1986

8 Approved for introduction by a majority of the Legislative Council
pursuant to Joint Rule 26.

9 Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

10 Presented by Representative Mayo of Thomaston.

11
12 STATE OF MAINE
13

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

17 AN ACT to Conform State Income Tax Laws
18 Relative to Premature Retirement Plan
19 Distributions.
20

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

23 36 MRSA §5116 is enacted to read:

24 §5116. Additional tax for early distribution for in-
25 dividual retirement accounts

26 The tax imposed under this Part on any individual
27 whose federal income tax for any taxable year is in-
28 creased pursuant to the United States Internal Reve-
29 nuue Code, Section 408(f), as a result of a distribu-
30 tion from an individual retirement account or under
31 an individual retirement annuity shall be increased
32 by an amount equal to 15% of the amount by which the
33 individual's federal income tax was increased as a
34 result of the distribution.

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STATEMENT OF FACT

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This bill enacts a provision similar to the federal income tax provision whereby an additional tax is levied on premature distribution of retirement plan funds. The amount of the tax would equal 15% of the 10% federal tax.

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