

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 193

H.P. 141

House of Representatives, February 15, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative ROLDE of York.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

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An Act to Clarify the Taxation of Retirement Benefits.

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

3               **36 MRSA §5217-A**, as enacted by PL 1987, c. 769, Pt. A,  
5       §160, is amended to read:

7       **§5217-A. Income tax paid to other taxing jurisdiction**

9               A resident individual is allowed a credit against the tax  
11              otherwise due under this Part for the amount of income tax  
13              imposed on that individual for the taxable year by another state,  
15              of the United States, a political subdivision of any such state,  
17              the District of Columbia or any political subdivision of a  
19              foreign country which is analogous to a state of the United  
21              States with respect to income derived from sources in that taxing  
23              jurisdiction which is also subject to tax under this Part. For  
25              purposes of this section, "income derived from sources in that  
27              taxing jurisdiction" shall include pensions, annuities or other  
29              retirement benefits if taxed by that taxing jurisdiction. The  
              credit, for any of the specified taxing jurisdictions, shall ~~may~~  
              not exceed the proportion of the tax otherwise due under this  
              Part that the amount of the taxpayer's Maine adjusted gross  
              income derived from sources in that taxing jurisdiction bears to  
              the taxpayer's entire Maine adjusted gross income; provided that,  
              when a credit is claimed for taxes paid to both a state and a  
              political subdivision of a state, the total credit allowable for  
              those taxes shall not exceed the proportion of the tax otherwise  
              due under this Part that the amount of the taxpayer's Maine  
              adjusted gross income derived from sources in the other state  
              bears to the taxpayer's entire Maine adjusted gross income.

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**STATEMENT OF FACT**

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              This bill prevents retirement benefits from being taxed  
35              twice in certain instances.