

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1167

H.P. 835

House of Representatives, April 12, 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

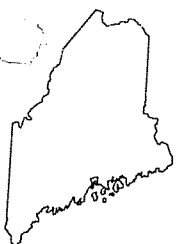
Presented by Representative BELL of Caribou.

Cosponsored by Senator BUSTIN of Kennebec, Senator COLLINS of Aroostook and Senator BOST of Penobscot.

STATE OF MAINE

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

An Act to Exclude Public Pension Payments to Persons 65 Years of
Age and Older from Taxable Income.



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

3 **Sec. 1. 36 MRSA §5122, sub-§2, ¶D,** as amended by PL 1987, c.
5 739, §§46 and 48, is further amended to read:

7 D. For each of the taxable years ending in 1985 through
9 1987, 1/3 of the amount by which federal adjusted gross
income was increased for the taxable year ending in 1984
under subsection 1, paragraph F; and

11 **Sec. 2. 36 MRSA §5122, sub-§2, ¶E,** as enacted by PL 1987, c.
13 739, §§47 and 48, is amended to read:

15 E. Pick-up contributions paid to the taxpayer by the Maine
17 State Retirement System which have been previously taxed
under this Part. ; and

19 **Sec. 3. 36 MRSA §5122, sub-§2, ¶F** is enacted to read:

21 F. Payments from a pension fund operated by State
23 Government or Federal Government to persons 65 years of age
and older when contributions to that fund have been in lieu
of contributions made under the federal Social Security Act.

25

STATEMENT OF FACT

27

29 Currently, persons who are members of the state pension
31 systems pay state income tax on their contribution to their
33 retirement program. They do not pay on the State's
contribution. When they receive their retirement payments they
are not taxed on the portion that represents their contribution,
but are taxed on the portion which represents the State's
contribution.

35

37 This bill exempts state and federal pensioners from paying
39 income tax on any portion of the pension that they receive which
is attributable to contributions which were made in lieu of
social security.