

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1170

H.P. 838

House of Representatives, April 13, 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

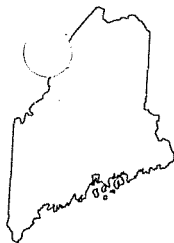
Presented by Representative MANNING of Portland.

Cosponsored by Representative DAGGETT of Augusta and Representative CROWLEY of Stockton Springs.

STATE OF MAINE

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

**An Act to Facilitate State Income Tax Withholding from Ordered
Civil Service Annuities.**



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

3 36 MRSA §5250-A is enacted to read:

5 §5250-A. Withholding of state income taxes from federal
7 retirement pay for civil service annuitant

9 1. Voluntary withholding. The assessor may enter into an
11 agreement with the United States Office of Personnel Management
13 for the voluntary withholding of state income taxes from the
15 retirement pay of United States civil service annuitants under
17 the provisions of Public Law 97-35, Section 1705. The assessor
is hereby authorized to do all acts and comply with any
requirements necessary to enable retired United States civil
servants to elect voluntary withholding of state income taxes
from their retirement pay.

19 2. Rules. The assessor shall establish by rule a procedure
21 under which a United States civil service annuitant may request
23 voluntary withholding under an agreement entered into under
subsection 1. The procedure may include a minimum monthly amount
to be withheld and paid over to the State.

25 3. Disclosure. The assessor may disclose to the United
27 States Office of Personnel Management the name, address or social
29 security number of any United States civil service annuitant
31 electing voluntary withholding of state income taxes whenever
necessary to enable the United States Office of Personnel
Management to implement such withholding under the terms of an
agreement entered into under subsection 1.

33 4. Definitions. As used in this section, unless the
35 context otherwise indicates, the following terms have the
following meanings.

37 A. "Civil service annuitant" means any person retired from
39 the federal civil service who has Maine personal income tax
41 liability in connection with the receipt of retirement pay.
"Civil service annuitant" includes a survivor annuitant
within the meaning of United States Code, Title 5, Section
8331.

43 B. "Retirement pay" means regular, recurring monthly
45 annuity payments received based on conditions of federal
retirement law.

47
49 **STATEMENT OF FACT**

51 The purpose of this bill is to allow the State Tax Assessor
53 to enter into an agreement with the United States Office of
Personnel Management. This agreement would allow Maine to

1 become a participant in the state tax withholding program. Under
3 this program, recipients of civil service retirement pay could
5 request the United States Office of Personnel Management to
deduct state income taxes from their retirement pay.