

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1990

Legislative Document

No. 44

H.P. 34

House of Representatives, December 11, 1990

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 CROWLEY of Stockton Springs.

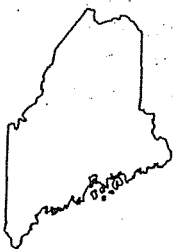
Cosponsored by Representative DAGGETT of Augusta, Representative CASHMAN of Old Town and Senator BOST of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

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

(EMERGENCY)



2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, the voluntary tax withholding program for
6 recipients of civil service retirement pay has been successful in
other states; and

8 Whereas, both the State and the Maine citizens who are civil
10 service annuitants will benefit from the tax withholding program;
and

12 Whereas, the benefits received by the State and the civil
14 service annuitants take effect as soon as the withholding
commences; and

16 Whereas, in the judgment of the Legislature, these facts
18 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
20 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

24 **36 MRSA §5250-A is enacted to read:**

26 **§5250-A. Withholding of state income taxes from federal**
28 **retirement pay of civil service annuitants**

30 **1. Definitions.** As used in this section, unless the
context otherwise indicates, the following terms have the
32 following meanings.

34 **A. "Civil service annuitant" means any person retired from**
36 **the federal civil service who has Maine personal income tax**
38 **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.

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

44 **2. Voluntary withholding.** The assessor shall attempt to
46 enter into an agreement with the federal Office of Personnel
Management for the voluntary withholding of state income taxes
48 from the retirement pay of federal civil service annuitants under
the provisions of Public Law 97-35, Section 1705. The assessor
50 is hereby authorized to do all acts and comply with any
requirements necessary to enable retired federal civil servants

2 to elect voluntary withholding of state income taxes from their
3 retirement pay.

4 3. Rules. The assessor shall establish by rule a procedure
5 under which a federal civil service annuitant may request
6 voluntary withholding under an agreement entered into under
7 subsection 2. The procedure may include a minimum monthly amount
8 to be withheld and paid over to the State.

10 4. Disclosure. The assessor may disclose to the federal
11 Office of Personnel Management the name, address or social
12 security number of any federal civil service annuitant electing
13 voluntary withholding of state income taxes whenever necessary to
14 enable the federal Office of Personnel Management to implement
15 such withholding under the terms of an agreement entered into
16 under subsection 2.

18 **Emergency clause.** In view of the emergency cited in the
19 preamble, this Act takes effect when approved.
20

22 **STATEMENT OF FACT**

24 The purpose of this bill is to allow the State Tax Assessor
25 to enter into an agreement with the federal Office of Personnel
26 Management. This agreement would allow Maine to become a
27 participant in the state tax withholding program. Under this
28 program, recipients of civil service retirement pay could request
29 the federal Office of Personnel Management to deduct state income
30 taxes from their retirement pay.
31
32