

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

No. 542

H.P. 423

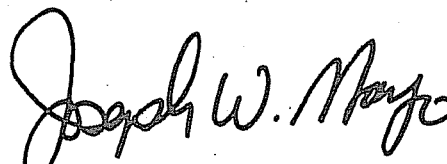
House of Representatives, February 17, 1993

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

(EMERGENCY)

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative AULT of Wayne.

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 Maine citizens who are civil  
10 service annuitants benefit from the tax withholding program; and

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

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

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

22           **36 MRSA §5254-A** is enacted to read:

24           **§5254-A. Withholding of state income taxes from federal**  
26           **retirement pay of civil service annuitants**

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

32           **A. "Civil service annuitant"** means any person retired from  
the federal civil service who has state personal income tax  
34 liability for retirement pay. "Civil service annuitant"  
includes a survivor annuitant within the meaning of the  
36 United States Code, Title 5, Section 8331.

38           **B. "Retirement pay"** means regular, recurring, monthly  
annuity payments received based on federal retirement law.

40           **2. Voluntary withholding.** The assessor shall attempt to  
42 enter into an agreement with the federal office of personnel  
management for the voluntary withholding of state income taxes  
44 from the retirement pay of federal civil service annuitants under  
the provisions of Public Law 97-35, Section 1705. The assessor  
46 is authorized to comply with any requirement necessary to enable  
retired federal civil servants to elect voluntary withholding of  
48 state income taxes from their retirement pay.

50           **3. Rules.** The assessor shall establish by rule a procedure  
under which a federal civil service annuitant may request

2 voluntary withholding pursuant to an agreement entered into under  
3 subsection 2. The procedure may include a minimum monthly amount  
4 to be withheld and paid to the State.

6 4. Disclosure. The assessor may disclose to the federal  
7 office of personnel management the name, address or social  
8 security number of any federal civil service annuitant electing  
9 voluntary withholding of state income taxes whenever necessary to  
10 enable the federal office of personnel management to implement  
11 withholding under the terms of an agreement entered into under  
12 subsection 2.

14 **Emergency clause.** In view of the emergency cited in the  
15 preamble, this Act takes effect when approved.

#### 18 STATEMENT OF FACT

20 The purpose of this bill is to allow the State Tax Assessor  
21 to enter into an agreement with the federal office of personnel  
22 management. This agreement allows the State to become a  
23 participant in a voluntary tax withholding program. Under this  
24 program, recipients of civil service retirement pay may request  
25 the federal office of personnel management to deduct state income  
26 taxes from their retirement pay.