

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 70

S.P. 40

In Senate, January 17, 1995

An Act to Facilitate the Withholding of State Income Taxes from Federal Pensions.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator LAWRENCE of York.
Cosponsored by Representative LEMONT of Kittery and
Senators: HARRIMAN of Cumberland, LAWRENCE of York, Representatives: CARLETON
of Wells, JONES of Pittsfield, MARSHALL of Eliot, MURPHY of Berwick, OTT of York,
TOWNSEND of Portland, TUFTS of Stockton Springs.

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

4 **Sec. 1. 36 MRSA §5254-A is enacted to read:**

6 **§5254-A. Withholding of state income taxes from federal**
8 **retirement pay of civil service annuitants**

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

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

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

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

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

36 **4. Disclosure.** The assessor may disclose to the federal
Office of Personnel Management the name, address or social
security number of any federal civil service annuitant electing
voluntary withholding of state income taxes whenever necessary to
enable the federal Office of Personnel Management to implement
withholding under the terms of an agreement entered into under
subsection 2. The records maintained by the Bureau of Taxation
under any agreement entered into under this section are open to
inspection by representatives of the federal Office of Personnel
Management and Comptroller General of the United States.

STATEMENT OF FACT

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4 This bill allows the State Tax Assessor to enter into an
6 agreement with the federal Office of Personnel Management to
8 allow the State to become a participant in a voluntary tax
withholding program. Under this program, recipients of civil
service retirement pay may request the federal Office of
Personnel Management to deduct state income taxes from their
retirement pay.