

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 222

H.P. 174

House of Representatives, January 24, 1995

An Act to Provide a Rental Deduction from State Income Tax.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, reading "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative AHEARNE of Madawaska.

Cosponsored by Representatives: ADAMS of Portland, BRENNAN of Portland, CLARK of Millinocket, DAVIDSON of Brunswick, DESMOND of Mapleton, DiPIETRO of South Portland, DRISCOLL of Calais, GWADOSKY of Fairfield, HATCH of Skowhegan, JACQUES of Waterville, JONES of Bar Harbor, LEMKE of Westbrook, MITCHELL of Vassalboro, O'NEAL of Limestone, ROSEBUSH of East Millinocket, SIROIS of Caribou, STEVENS of Orono, TREAT of Gardiner, VOLENIK of Sedgwick, WHEELER of Bridgewater, Senators: BERUBE of Androscoggin, LAWRENCE of York, MICHAUD of Penobscot, PARADIS of Aroostook.

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

Sec. 1. 36 MRSA §5132 is enacted to read:

§5132. Rent payment deduction

1. Deduction. A person who earns under \$30,000 a year and who rents a dwelling for use as that person's place of residence is allowed to deduct from that person's Maine adjusted gross income the lesser of the following:

A. The amount of rent paid by that person with respect to the dwelling during the taxable year;

B. Three thousand dollars if that person is filing a single tax return; or

C. Five thousand dollars if that person is filing a joint tax return or is a single parent with children.

2. Definition. For purposes of this section, "dwelling" includes a single-family dwelling or a unit of a multifamily dwelling.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 1996.

STATEMENT OF FACT

This bill creates a rental deduction from state income tax for a person who earns less than \$30,000 and who uses the rental dwelling as that person's dwelling. The deduction is the lesser of the rent paid during the taxable year or \$5,000 for a person who is filing a joint tax return or is a single parent with children or \$3,000 for a person filing a single tax return. The deduction applies to tax years beginning January 1, 1996.