

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 741

H.P. 545

House of Representatives, March 7, 1995

**An Act to Provide a Deduction from State Income Taxes for Federal
Civil Service Pensions.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative SIROIS of Caribou.

Cosponsored by Representatives: AHEARNE of Madawaska, BENEDIKT of Brunswick, BUNKER of Kossuth Township, CLOUTIER of South Portland, DESMOND of Mapleton, FARNUM of South Berwick, GERRY of Auburn, GREENLAW of Standish, HATCH of Skowhegan, HICHBORN of LaGrange, KEANE of Old Town, MORRISON of Bangor, O'NEAL of Limestone, POVICH of Ellsworth, TRUMAN of Biddeford, WHEELER of Bridgewater, Senators: MICHAUD of Penobscot, PARADIS of Aroostook.

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

4 **Sec. 1. 36 MRSA §5122, sub-§2, ¶G,** as enacted by PL 1989, c.
880, Pt. G, §4, is amended to read:

6 G. For income tax years commencing on or after January 1,
1989, an amount equal to the total premiums spent for
8 insurance policies for long-term care ~~which~~ that have been
certified by the Superintendent of Insurance as complying
10 with Title 24-A, chapter 68; and

12 **Sec. 2. 36 MRSA §5122, sub-§2, ¶H,** as amended by PL 1991, c.
591, Pt. N, §7 and affected by §8, is further amended to read:

14 H. For each taxable year subsequent to the year of the
16 loss, an amount equal to the absolute value of any net
operating loss arising from tax years beginning on or after
18 January 1, 1989, but before January 1, 1993, for which
federal adjusted gross income was increased in accordance
20 with subsection 1, paragraph H and that pursuant to the
United States Internal Revenue Code, Section 172 was carried
22 back for federal income tax purposes, but only to the extent
that:

24 (1) Maine net income is not reduced below zero;

26 (2) The taxable year is within the allowable federal
28 period for carry-over; and

30 (3) The amount has not been previously used as a
32 modification pursuant to this subsection; and

34 **Sec. 3. 36 MRSA §5122, sub-§2, ¶I** is enacted to read:

36 I. For income tax years commencing on or after January 1,
1995, the amount of payments received as retirement benefits
resulting from employment in the federal civil service.

40 **STATEMENT OF FACT**

42 This bill exempts federal civil service pensions from the
44 state income tax.