

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

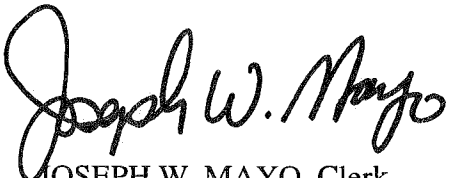
No. 58

H.P. 33

House of Representatives, January 9, 1997

An Act to Provide a State Income Tax Deduction for Rent.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative AHEARNE of Madawaska.
Cosponsored by Representative O'NEAL of Limestone, Senator: PARADIS of Aroostook.

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

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

6 §5132. Rent payment deduction

8 1. Deduction. A person who earns under \$25,700 a year and
10 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:

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

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

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

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

26 Sec. 2. Application. This Act applies to tax years beginning
on or after January 1, 1998.

28 **SUMMARY**

30 This bill creates a rental deduction from state income tax
32 for a person who earns less than \$25,700 and who uses the rental
dwelling as that person's dwelling. The deduction is the lesser
34 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
36 children or \$3,000 for a person filing a single tax return. The
deduction applies to tax years beginning January 1, 1998.