



118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1853

S.P. 636

In Senate, May 1, 1997

An Act to Exempt from State Income Tax Previously Taxed Contributions to an Individual Retirement Account.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Taxation suggested and ordered printed.

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JOY J. O'BRIEN Secretary of the Senate

Presented by Senator LIBBY of York. Cosponsored by Representative JOYNER of Hollis and Senators: ABROMSON of Cumberland, AMERO of Cumberland, BENOIT of Franklin, CASSIDY of Washington, HALL of Piscataquis, MacKINNON of York, SMALL of Sagadahoc.

Be it enacted by the People of the State of Maine as follows: 2 Sec. 1. 36 MRSA §5122, sub-§2, ¶H, as amended by PL 1995, c. 639, §16, is further amended to read: 4 6 For each taxable year subsequent to the year of the н. loss, an amount equal to the absolute value of the net operating loss arising from tax years beginning on or after 8 January 1, 1989, but before January 1, 1993, for which 10 federal adjusted gross income was increased in accordance with subsection 1, paragraph H and that pursuant to the 12 Code, Section 172 was carried back for federal income tax purposes, but only to the extent that: 14 (1) Maine taxable income is not reduced below zero; 16 (2) The taxable year is within the allowable federal 18 period for carry-over; and 20 (3) The amount has not been previously used as a modification pursuant to this subsection; and 22 Sec. 2. 36 MRSA §5122, sub-§2, ¶I, as enacted by PL 1995, c. 639, §17, is amended to read: 24 26 For income tax years beginning on or after January 1, Ι. 1991, an amount equal to the amount by which federal taxable income was reduced because of vessel earnings from fishing 28 operations that were contributed to a capital construction 30 fund, ; and 32 Sec. 3. 36 MRSA §5122, sub-§2, ¶J is enacted to read: 34 J. For income tax years beginning on or after January 1, 1998, an amount equal to the amount of the taxpayer's 36 contribution to retirement savings accounts pursuant to the Code, Section 219 upon which taxes have been paid to another 38 jurisdiction. 40 **SUMMARY** 42 law exempts Currently, Maine from state income tax 44 contributions by a taxpayer into an individual retirement account. When the money is withdrawn from the account, it is 46 subject to Maine income tax. 48 This bill exempts from Maine income tax any contribution to an individual retirement account made by the taxpayer that was 50 previously taxed by another jurisdiction.

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