

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2009

S.P. 731

In Senate, January 14, 1998

An Act to Prohibit the Taxing of Retirees' Pensions.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator HARRIMAN of Cumberland.
Cosponsored by Senator KIEFFER of Aroostook, Representatives: DAVIDSON of
Brunswick, JOY of Crystal, KASPRZAK of Newport, WATERHOUSE of Bridgton.

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

4 **Sec. 1. 36 MRSA §5122, sub-§2, ¶H,** as amended by PL 1995, c.
5 639, §16, is further amended to read:

6 H. For each taxable year subsequent to the year of the
7 loss, an amount equal to the absolute value of the net
8 operating loss arising from tax years beginning on or after
9 January 1, 1989, but before January 1, 1993, for which
10 federal adjusted gross income was increased in accordance
11 with subsection 1, paragraph H and that pursuant to the
12 Code, Section 172 was carried back for federal income tax
13 purposes, but only to the extent that:

14 (1) Maine taxable income is not reduced below zero;

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

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

19 **Sec. 2. 36 MRSA §5122, sub-§2, ¶I,** as enacted by PL 1995, c.
20 639, §17, is amended to read:

21 I. For income tax years beginning on or after January 1,
22 1991, an amount equal to the amount by which federal taxable
23 income was reduced because of vessel earnings from fishing
24 operations that were contributed to a capital construction
25 fund; and

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

27 J. The portion of a taxpayer's income that is attributable
28 to a pension resulting from employment outside the State.

29 **Sec. 4. Application.** This Act applies to tax years beginning
30 on or after January 1, 1998.

31
32
33 **SUMMARY**

34 This bill is intended to encourage people to move to Maine
35 by providing an income tax deduction for pension income from
36 employment outside the State.