

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

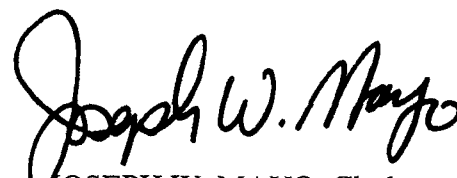
No. 707

H.P. 500

House of Representatives, January 26, 1999

**An Act to Exempt from Income Tax Pension Income Earned Outside of
the State.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative KASPRZAK of Newport.
Cosponsored by Senator LIBBY of York and
Representatives: AHEARNE of Madawaska, MacDOUGALL of North Berwick, MACK of
Standish, MARVIN of Cape Elizabeth, MENDROS of Lewiston, NASS of Acton, PEAVEY
of Woolwich, PINKHAM of Lamoine.

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

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50

Sec. 1. 36 MRSA §5122, sub-§2, ¶J, as corrected by RR 1997, c. 2, §59, is amended to read:

J. Any amount constituting a qualified withdrawal from an account established pursuant to Title 20-A, chapter 417-E and used for paying higher education expenses; and

Sec. 2. 36 MRSA §5122, sub-§2, ¶K, as reallocated by RR 1997, c. 2, §60 and affected by §61, is amended to read:

K. For income tax years beginning on or after January 1, 1997, all items of income, gain, interest, dividends, royalties and other income of a financial institution subject to the tax imposed by section 5206, to the extent that those items are passed through to the taxpayer for federal income tax purposes, including, if the financial institution is an S corporation, the taxpayer's pro rata share and, if the financial institution is a partnership or limited liability company, the taxpayer's distributive share. A subtraction may not be made under this paragraph for:

(1) Income of the taxpayer earned on interest-bearing or similar accounts of the taxpayer at a financial institution as a customer of that financial institution;

(2) Any dividends or other distributions with respect to a taxpayer's ownership interest in a financial institution; and

(3) Any gain recognized on the disposition by the taxpayer of an ownership interest in a financial institution; and

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

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

Sec. 4. Application. This Act applies to tax years beginning on or after January 1, 2000.

SUMMARY

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