

MAINE STATE LEGISLATURE

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RMS

L.D. 1268

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DATE: 6-1-99

(Filing No. H-717)

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION**

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 431, L.D. 1268, Bill, "An Act to Provide Equal Treatment in the Taxation of Public Pensions"

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Amend the amendment on page 1 by striking out all of lines 22 to 31

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Further amend the amendment in the 2nd indented paragraph in the first line (page 1, line 33 in amendment) by striking out the following: "Further amend" and inserting in its place the following: 'Amend'

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FISCAL NOTE

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This amendment eliminates the offsetting increase of revenue from the change in the tax status of social security benefits. As amended, the bill will have a General Fund cost of \$4,898,320 in fiscal year 1999-00 and \$12,533,952 in fiscal year 2000-01.

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The exemption of a portion of state, federal and military pension benefits will decrease individual income tax collections by \$5,161,560 in fiscal year 1999-00 and \$13,181,628 in fiscal year 2000-01. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$263,240 and \$672,263, respectively. The resulting net reductions of General Fund revenue will be \$4,898,320 in fiscal year 1999-00 and \$12,509,365 in fiscal year 2000-01.

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The Bureau of Revenue Services will incur additional costs estimated to be \$24,587 in fiscal year 2000-01 and approximately \$38,000 annually beginning in fiscal year 2001-02 for one Tax

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HOUSE AMENDMENT

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HOUSE AMENDMENT " " to COMMITTEE AMENDMENT "A" to S.P. 431, L.D.
1268

2 Examiner position, effective January 1, 2001, and related
expenses to audit the affected returns. An additional General
4 Fund appropriation is included in the committee amendment to fund
these additional costs.

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SUMMARY

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12 This amendment strikes the provision of Committee Amendment
"A" that provides that social security benefits be taxed to the
14 same extent that those benefits are taxed under federal income
tax laws.

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SPONSORED BY: *Harold A. Clough*
(Representative CLOUGH)

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TOWN: Scarborough

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HOUSE AMENDMENT