

# MAINE STATE LEGISLATURE

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L.D. 1268

DATE: May 25, 1999

(Filing No. S-349 )

**TAXATION**

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

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

Amend the bill in section 3 by striking out all of paragraph L (page 1, lines 39 to 42 in L.D.) and inserting in its place the following:

'L. Up to \$5,000 of state, federal and military retirement pension benefits for each recipient of those benefits to the extent the benefits are included in federal taxable income after adjustment under paragraph E.'

Further amend the bill by inserting at the end before the summary the following:

**'Sec. 4. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

**2000-01**

**ADMINISTRATIVE AND FINANCIAL  
SERVICES, DEPARTMENT OF**

**Bureau of Revenue Services**

Positions - Legislative Count	(1.000)
Personal Services	\$15,903
All Other	8,675

**COMMITTEE AMENDMENT**

2 Provides funds for a Tax  
4 Examiner position, effective  
6 January 1, 2001, and related  
expenses to audit affected  
returns.

8 **DEPARTMENT OF ADMINISTRATIVE AND**  
9 **FINANCIAL SERVICES**  
10 **TOTAL**

\$24,578

12 **Sec. 5. Application.** This Act applies to tax years beginning  
14 on or after January 1, 2000.'

16 Further amend the bill by inserting at the end before the  
summary the following:

18 **FISCAL NOTE**

20 **1999-00** **2000-01**

22 **APPROPRIATIONS/ALLOCATIONS**

24 General Fund \$24,578

26 **REVENUES**

28 General Fund (\$4,235,398) (\$10,781,275)  
30 Other Funds (227,614) (579,394)

32 The exemption of a portion of state, federal and military  
34 pension benefits will decrease individual income tax collections  
36 by \$4,463,012 in fiscal year 1999-00 and \$11,360,669 in fiscal  
38 year 2000-01. The reduction of these tax collections will  
40 decrease the amounts transferred to the Local Government Fund for  
state-municipal revenue sharing in those years by \$227,614 and  
\$579,394, respectively. The resulting net reductions of General  
Fund revenue will be \$4,235,398 in fiscal year 1999-00 and  
\$10,781,275 in fiscal year 2000-01.

42 The Bureau of Revenue Services will incur additional costs  
44 estimated to be \$24,578 in fiscal year 2000-01 and approximately  
\$38,000 annually beginning in fiscal year 2001-02 for one Tax  
46 Examiner position, effective January 1, 2001, and related  
48 expenses to audit the affected returns. An additional General  
Fund appropriation is included to fund these additional costs.'

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**SUMMARY**

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This amendment provides an income tax deduction for up to \$5,000 of state, federal and military retirement pension benefits per recipient. The amendment also adds an appropriation, an application date and a fiscal note.

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