

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. 1852

H.P. 1291

House of Representatives, March 16, 1999

An Act to Create Tax Fairness for Private Purchases of Health Insurance.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative BERRY of Livermore.
Cosponsored by Senator NUTTING of Androscoggin and
Representatives: BUCK of Yarmouth, COWGER of Hallowell, GLYNN of South Portland,
PERRY of Bangor, STANLEY of Medway.

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

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

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

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

14 K. For income tax years beginning on or after January 1,
16 1997, all items of income, gain, interest, dividends,
18 royalties and other income of a financial institution
20 subject to the tax imposed by section 5206, to the extent
22 that those items are passed through to the taxpayer for
24 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:

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

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

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

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

40 L. For income tax years commencing on or after January 1,
42 2000, an amount equal to the total premiums the taxpayer
44 paid for health insurance policies. A taxpayer may not
46 subtract premiums paid by another person or premiums that
48 were deducted to arrive at the federal adjusted gross income.

SUMMARY

48 This bill creates a state tax deduction for health insurance
premiums.