

MAINE STATE LEGISLATURE

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M
R of S2

L.D. 2542

DATE: 3-14-00

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

HOUSE AMENDMENT "A" to S.P. 989, L.D. 2542, Bill, "An Act to Provide Equity in the Taxation of Public Pensions"

Amend the bill by striking out the title and substituting the following:

'An Act to Provide Equity in the Taxation of Public and Private Pensions'

Further amend the bill in section 3 by striking out all of paragraph M (page 1, lines 42 to 45 in L.D.) and inserting in its place the following:

'M. Up to \$10,000 for each recipient of the aggregate of state, federal and military retirement pension benefits and private pensions and annuities to the extent those benefits are included in federal taxable income after adjustment under paragraph E.'

FISCAL NOTE

This amendment will increase the General Fund cost of the bill by \$2,325,047 in fiscal year 1999-00 and \$30,698,847 in fiscal year 2000-01, \$24,890,513 in fiscal year 2001-02 and \$26,047,798 in fiscal year 2002-03.

As amended, this income modification for certain pension benefits and other retirement income will decrease individual income tax collections by \$4,305,400 in fiscal year 1999-00, \$56,848,502 in fiscal year 2000-01, \$46,100,449 in fiscal year 2001-02, and \$48,248,220 in fiscal year 2002-03. The reduction

HOUSE AMENDMENT

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of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$219,575, \$2,899,274, \$2,351,123 and \$2,460,659, respectively. The resulting net reductions of General Fund revenue will be \$4,085,825 in fiscal year 1999-00, \$53,949,228 in fiscal year 2000-01, \$43,749,326 in fiscal year 2001-02, and \$45,787,561 in fiscal year 2002-03.

SUMMARY

This amendment includes private pension benefits in the exemption from Maine income tax proposed in the bill.

SPONSORED BY:



(Representative WATERHOUSE)

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