

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 31, L.D. 129, Bill, "An Act to Exempt Holocaust Survivors' Compensation from Maine Income Tax"

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

'An Act to Provide an Income Tax Deduction for Compensation Paid to Victims of the Holocaust and Their Survivors'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 36 MRSA §5122, sub-§2, ¶L, as amended by PL 1999, c. 708, §35 and c. 731, Pt. S, §2 and affected by §4 and amended by c. 790, Pt. A, §49, is repealed and the following enacted in its place:

L. For income tax years beginning on or after January 1, 2000, an amount equal to the total premiums spent for qualified long-term care insurance contracts as defined in the Code, Section 7702B(b), as long as the amount subtracted is reduced by the long-term care premiums claimed as an itemized deduction pursuant to section 5125;

Sec. 2. 36 MRSA §5122, sub-§2, ¶M, as enacted by PL 1999, c. 708, §36 and c. 731, Pt. S, §3 and affected by §4, is repealed and the following enacted in its place:

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2 M. An amount, for each recipient of benefits under an
4 employee retirement plan, that is the lesser of:

6 (1) Six thousand dollars reduced by the total amount
8 of social security benefits and railroad retirement
 benefits paid by the United States, but not less than
 \$0; or

10 (2) The aggregate of benefits received under employee
12 retirement plans and included in federal adjusted gross
 income.

14 For purposes of this paragraph, "employee retirement plan"
16 means a state, federal or military retirement plan or any
18 other retirement benefit plan established and maintained by
20 an employer for the benefit of its employees under Section
22 401(a), Section 403 or Section 457(b) of the Code.
24 "Employee retirement plan" does not include an individual
 retirement account under Section 408 of the Code, a Roth IRA
 under Section 408A of the Code, a rollover individual
 retirement account, a simplified employee pension under
 Section 408(k) of the Code or an ineligible deferred
 compensation plan under Section 457(f) of the Code;

26 Sec. 3. 36 MRSA §5122, sub-§2, ¶¶N and O are enacted to read:

28 N. Interest or dividends on obligations or securities of
30 this State and its political subdivisions and authorities to
 the extent included in federal adjusted gross income;

32 O. A holocaust victim settlement payment received by a
34 holocaust victim to the extent included in federal adjusted
36 gross income. This paragraph applies only to a taxpayer who
 is the first recipient of a holocaust victim settlement
 payment. For purposes of this paragraph, the following
 terms have the following meanings.

38 (1) "Holocaust victim" means an individual who died,
40 lost property or was a victim of persecution as a
42 result of discriminatory laws, policies or actions
44 targeted against discrete groups of individuals based
46 on race, religion, ethnicity, sexual orientation or
48 national origin, whether or not the individual was
 actually a member of any of those groups, or because
 the individual assisted or allegedly assisted any of
 those groups, between January 1, 1929 and December 31,
 1945, in Nazi Germany or in any European country allied
 with or occupied by Nazi Germany. "Holocaust

2 victim" includes the spouse or descendant of such an
3 individual.

4 (2) "Holocaust victim settlement payment" means a
5 payment received:

6 (a) As a result of the taxpayer's status as a
7 holocaust victim;

8 (b) As a result of the settlement of any other
9 holocaust claim, including an insurance claim, a
10 claim relating to looted art, a claim relating to
11 looted financial assets, a claim relating to slave
12 labor wages or a class action lawsuit claim
13 against Swiss banks; or

14 (c) As interest on any payment under division (a)
15 or (b) accumulated or accrued through the date of
16 payment.

17 **Sec. 4. Application.** This Act applies to tax years beginning
18 on or after January 1, 2001.'

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

21 **FISCAL NOTE**

22 The Maine income tax exemption for Holocaust victim
23 settlement payments will decrease individual income tax
24 collections beginning in fiscal year 2001-02. The reduction of
25 these tax collections will decrease the amounts transferred to
26 the Local Government Fund for state-municipal revenue sharing and
27 will result in net reductions of General Fund revenue. The
28 amounts of these reductions can not be determined since the
29 number of individuals who will be affected and the amounts of any
30 settlement payments that will be received by these individuals is
31 not known.

32 The Bureau of Revenue Services will incur some minor
33 additional costs to administer the new exemption. These costs
34 can be absorbed within the bureau's existing budgeted resources.'

35 **SUMMARY**

36 This amendment replaces the bill and provides more specific
37 definitions for the individuals and types of payments made to
38 holocaust survivors that are made exempt from income tax.
39

COMMITTEE AMENDMENT "A" to S.P. 31, L.D. 129

2 This amendment also corrects a conflict created by Public
3 Law 1999, chapters 708 and 731, each of which enacted a new Title
4 36, section 5122, subsection 2, paragraph M. This bill resolves
5 the conflict by reallocating one of the new paragraphs to be the
6 Maine Revised Statutes, Title 36, section 5122, subsection 2,
7 paragraph N.

8

 The amendment also adds a fiscal note to the bill.