

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 897

H.P. 693

House of Representatives, February 15, 2001

**An Act to Create an Income Tax Exemption for the Dental and Medical
State Loans Repayment Program.**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative PEAVEY of Woolwich.

Cosponsored by Representatives: BERRY of Belmont, BUCK of Yarmouth, FULLER of Manchester, GREEN of Monmouth, JONES of Greenville, McKEE of Wayne, O'BRIEN of Augusta, Speaker SAXL of Portland.

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

2
3
4 **Sec. 1. 36 MRSA §5122, sub-§2, ¶L**, as amended by PL 1999, c.
5 708, §35 and c. 731, Pt. S, §2 and affected by §4 and amended by
6 c. 790, Pt. A, §49, is repealed and the following enacted in its
7 place:

8 L. For income tax years beginning on or after January 1,
9 2000, an amount equal to the total premiums spent for
10 qualified long-term care insurance contracts as defined in
11 the Code, Section 7702B(b), as long as the amount subtracted
12 is reduced by the long-term care premiums claimed as an
13 itemized deduction pursuant to section 5125;

14
15 **Sec. 2. 36 MRSA §5122, sub-§2, ¶M**, as enacted by PL 1999, c.
16 708, §36 and c. 731, Pt. S, §3 and affected by §4, is repealed
17 and the following enacted in its place:

18
19 M. An amount, for each recipient of benefits under an
20 employee retirement plan, that is the lesser of:

21
22 (1) Six thousand dollars reduced by the total amount
23 of social security benefits and railroad retirement
24 benefits paid by the United States, but not less than
25 \$0; or

26
27 (2) The aggregate of benefits received under employee
28 retirement plans and included in federal adjusted gross
29 income. For purposes of this paragraph, "employee
30 retirement plan" means a state, federal or military
31 retirement plan or any other retirement benefit plan
32 established and maintained by an employer for the
33 benefit of its employees under Section 401(a), Section
34 403 or Section 457(b) of the Code. "Employee
35 retirement plan" does not include an individual
36 retirement account under Section 408 of the Code, a
37 Roth IRA under Section 408A of the Code, a rollover
38 individual retirement account, a simplified employee
39 pension under Section 408(k) of the Code or an
40 ineligible deferred compensation plan under Section
41 457(f) of the Code;

42
43 **Sec. 3. 36 MRSA §5122, sub-§2, ¶¶N and O** are enacted to read:

44
45 N. Interest or dividends on obligations or securities of
46 this State and its political subdivisions and authorities to
47 the extent included in federal adjusted gross income; and
48

