

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)



120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1161

S.P. 347

In Senate, February 28, 2001

An Act to Make Higher Education More Affordable for Maine Families.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator ROTUNDO of Androscoggin.
Cosponsored by Senators: BROMLEY of Cumberland, EDMONDS of Cumberland,
GAGNON of Kennebec, PENDLETON of Cumberland, Representatives: CUMMINGS of
Portland, DESMOND of Mapleton, McDONOUGH of Portland, O'BRIEN of Lewiston.

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

2

4 **Sec. 1. 36 MRSA §5122, sub-§2, ¶L**, as amended by PL 1999, c.
6 708, §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 A, §49, is repealed and the following enacted in its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:

8 L. For income tax years beginning on or after January 1,
10 2000, an amount equal to the total premiums spent for
12 qualified long-term care insurance contracts as defined in
14 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;

14

16 **Sec. 2. 36 MRSA §5122, sub-§2, ¶M**, as enacted by PL 1999, c.
18 708, §36 and c. 731, Pt. S, §3 and affected by §4, is repealed
 and the following enacted in its place:

18

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

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

26

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

30

32 For purposes of this paragraph, "employee retirement plan"
34 means a state, federal or military retirement plan or any
36 other retirement benefit plan established and maintained by
38 an employer for the benefit of its employees under Section
40 401(a), Section 403 or Section 457(b) of the Code.
42 "Employee retirement plan" does not include an individual
44 retirement account under Section 408 of the Code, a Roth IRA
46 under Section 408A of the Code, a rollover individual
48 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;

42

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

44

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

48

2 O. The amount of tuition paid for full-time attendance at a
3 postsecondary educational institution in the State up to
4 \$10,000 for each state resident student for whom the
5 taxpayer claims a personal exemption.

6

8

SUMMARY

10 This bill creates a state income tax deduction for tuition
11 paid for full-time attendance at a postsecondary educational
12 institution in Maine. The maximum deduction is \$10,000 for each
13 student who is a Maine resident.

14

15 This bill also corrects a conflict created by Public Law
16 1999, chapters 708 and 731, which each enacted a new Maine
17 Revised Statutes, Title 36, section 5122, subsection 2, paragraph
18 M. This bill resolves the conflict by reallocating one of the
19 new paragraphs to be Title 36, section 5122, subsection 2,
20 paragraph N.