

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 216

H.P. 175

House of Representatives, January 21, 2003

An Act to Provide an Income Tax Deduction for a Qualified State-sponsored 529 Plan for Higher Education Expenses

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CLOUGH of Scarborough.
Cosponsored by Senator STANLEY of Penobscot and
Representatives: ANDREWS of York, CARR of Lincoln, LEDWIN of Holden, McKENNEY
of Cumberland, NUTTING of Oakland, O'BRIEN of Augusta, TARDY of Newport, Senator:
WESTON of Waldo.

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

2

Sec. 1. 36 MRSA §5122, sub-§2, ¶¶R and S, as enacted by PL
4 2001, c. 714, Pt. AA, §4, are amended to read:

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R. For tax years beginning in 2005, 2006 or 2007, an amount
8 equal to 1/3 of any amount added back to federal adjusted
gross income by the taxpayer for the 2003 tax year pursuant
10 to subsection 1, paragraph N, except with respect to 3-year
property, in which case this paragraph does not apply to
12 2006 or 2007 tax years and the amount to be subtracted
pursuant to this paragraph in the 2005 tax year is an amount
14 equal to the amount added back pursuant to subsection 1,
paragraph N for tax years beginning in 2003; and

16

S. For tax years beginning in 2006, 2007 or 2008, an amount
18 equal to 1/3 of any amount added back to federal adjusted
gross income by the taxpayer for the 2004 tax year pursuant
20 to subsection 1, paragraph N, except with respect to 3-year
property, in which case this paragraph does not apply to
22 2007 or 2008 tax years and the amount to be subtracted
pursuant to this paragraph in the 2006 tax year is in an
24 amount equal to the amount added back pursuant to subsection
1, paragraph N for tax years beginning in 2004; and

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Sec. 2. 36 MRSA §5122, sub-§2, ¶T is enacted to read:

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T. The amount of contributions, up to a maximum of \$10,000
30 per account, made under a qualified state tuition program
established by any state under Section 529 of the Code.

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SUMMARY

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This bill provides an income tax deduction of up to \$10,000
36 per account for contributions made to any qualified state tuition
program, including the Maine College Savings Program, that is
38 eligible for preferred tax treatment under federal law.