

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 246

H.P. 201

House of Representatives, January 23, 2003

### **An Act To Promote and Facilitate Personal Retirement Saving in Maine**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative WOODBURY of Yarmouth.

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

4 **Sec. 1. 36 MRSA §5219-W** is enacted to read:

6 **§5219-W. Retirement savings credit**

8 For tax years beginning on or after January 1, 2003 and  
10 before January 1, 2007, a taxpayer is allowed a credit against  
12 the tax imposed by this Part with respect to a qualified  
14 retirement savings contribution that qualifies for a credit under  
16 Section 25B of the Code. The credit is equal to the applicable  
18 percentage allowed under Section 25B of the Code applied to up to  
20 \$500 of the qualified contribution. A person who has received a  
22 credit under this section is not eligible for a credit under this  
24 section in any subsequent year. The credit allowed under this  
26 section may not reduce the tax otherwise due under this Part to  
28 less than zero.

20 **SUMMARY**

22 This bill provides a one-time income tax credit for certain  
24 federally qualified retirement savings contributions. The credit  
26 ranges from 10% to 50% of up to \$500 of contributions that  
28 qualify for a federal credit. The percentage allowed is the same  
as that allowed under the federal credit and decreases as the  
taxpayer's federal adjusted gross income increases. The credit  
expires after 4 years.