

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND SPECIAL SESSION-2004

Legislative Document

No. 1927

S.P. 764

In Senate, March 16, 2004

An Act To Modify Taxation of Benefits under Employee Retirement Plans, Including Retirement Plans for Teachers

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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 GAGNON of Kennebec.

Cosponsored by Representative SIMPSON of Auburn and

Senators: BRYANT of Oxford, HATCH of Somerset, STANLEY of Penobscot, STRIMLING of Cumberland, WOODCOCK of Franklin, Representatives: EARLE of Damariscotta, MARLEY of Portland, THOMPSON of China.

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

2
391, §5, is further amended to read:

6 M. For each individual who is a primary recipient of
7 benefits under an employee retirement plan, an amount that
8 is the lesser of:

10 ~~(1) Six thousand dollars reduced by the total amount~~
11 ~~of the individual's social security benefits and~~
12 ~~railroad retirement benefits paid by the United States,~~
13 ~~but not less than \$0. The following amounts reduced by~~
14 ~~the total amount of the individual's social security~~
15 ~~benefits and railroad retirement benefits paid by the~~
16 ~~United States, but not less than \$0, for each tax year~~
17 ~~beginning in the following years, except that this~~
18 ~~reduction does not apply to benefits paid under a~~
19 ~~military retirement plan; or:~~

20 (a) 2005, \$8,000;

22 (b) 2006, \$9,000;

24 (c) 2007, \$10,000;

26 (d) 2008, \$11,000;

28 (e) 2009, \$12,000;

30 (f) 2010, \$13,000;

32 (g) 2011, \$14,000;

34 (h) 2012, \$15,000;

36 (i) 2013, \$16,000;

38 (j) 2014, \$17,000; and

40 (k) 2015, \$20,000.

42
43 For tax years beginning January 1, 2016, the deduction
44 under this subparagraph is equal to the amount of the
45 maximum social security benefit reduced by the total
46 amount of social security benefits and railroad
47 retirement benefits actually received by the taxpayer,
48 but not less than \$0. The State Tax Assessor by
49 September 15th of each year shall determine the amount
50 of the deduction and incorporate the change, if any,

2 deduction increases to \$20,000. Beginning with tax years
beginning January 1, 2016, the amount of the deduction is equal
4 to the amount of the maximum federal tax exemption for social
security benefits reduced by any social security benefits and
railroad retirement benefits actually received by the taxpayer.