

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1150

H.P. 793

House of Representatives, March 8, 2005

An Act To Promote and Facilitate Personal Retirement Saving in Maine

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-Y is enacted to read:**

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

8 For tax years beginning on or after January 1, 2005 and
10 before January 1, 2009, 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.