

MAINE STATE LEGISLATURE

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Report B

R. of S.

1
2 Date: 6/12/07

L.D. 872

(Filing No. H-556)

Report B

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TAXATION

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STATE OF MAINE

6

HOUSE OF REPRESENTATIVES

7

123RD LEGISLATURE

8

FIRST REGULAR SESSION

9

COMMITTEE AMENDMENT "B" to H.P. 661, L.D. 872, Bill, "An Act To Exempt Military Pensions and Survivors' Benefit Payments from State Income Tax"

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11

Amend the bill in section 1 in paragraph M by striking out all of the first four lines (page 1, lines 4 to 7 in L.D.) and inserting the following:

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'M. For each individual who is a primary recipient of pension benefits under an employee retirement plan, up to \$15,000 of military retirement benefits under a military retirement plan for military personnel retiring during any tax year beginning on or after January 1, 2007 to the extent included in federal adjusted gross income plus an amount that is the lesser of:

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Amend the bill in section 1 in paragraph M in subparagraph (2) in the last line (page 1, line 14 in L.D.) by inserting after the following: "personnel" the following: 'retiring during any tax year beginning on after January 1, 2007'

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Amend the bill by striking out all of section 2 (page 1, lines 35 to 40 and page 2, lines 1 to 4 in L.D.) and inserting the following:

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'**Sec. 2. Appropriations and allocations.** The following appropriations and allocations are made.

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25

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

26

Revenue Services - Bureau of 0002

27

Initiative: Provides a one-time General Fund appropriation of \$11,000 in fiscal year 2007-08 for the computer programming costs associated with the military pension exemption.

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29

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GENERAL FUND

2007-08

2008-09

31

All Other

\$11,000

\$0

32

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "B" to H.P. 661, L.D. 872

H. of S.

1 GENERAL FUND TOTAL \$11,000 \$0
2 ,

3 SUMMARY

4 This amendment extends benefits for military retirees only to those retiring in tax
5 years beginning on or after January 1, 2007 and limits the exemption to \$15,000. This
6 amendment also adjusts the appropriation for administrative costs.

7 FISCAL NOTE REQUIRED
8 (See attached)



123rd MAINE LEGISLATURE

LD 872

LR 214(03)

An Act To Exempt Military Pensions and Survivors' Benefit Payments from State Income Tax

Fiscal Note for Bill as Amended by Committee Amendment "B"
 Committee: Taxation
 Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$298,187	\$382,916	\$543,465	\$702,013
Appropriations/Allocations				
General Fund	\$11,000	\$0	\$0	\$0
Revenue				
General Fund	(\$287,187)	(\$382,916)	(\$543,465)	(\$702,013)
Other Special Revenue Funds	(\$15,753)	(\$21,004)	(\$29,755)	(\$38,507)

Fiscal Detail and Notes

Exempting from the state income tax certain military retirement benefits will reduce General Fund revenue by an estimated \$287,187 in fiscal year 2007-08 and \$382,916 in fiscal year 2008-09. This bill also includes a one-time General Fund appropriation of \$11,000 in fiscal year 2007-08 for Maine Revenue Services' related computer programming costs.