

MAINE STATE LEGISLATURE

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DMS
R. 100

L.D. 358

Date: 4/28/11

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 284, L.D. 358, Bill, "An Act To Exempt from the Income Tax Military Death Payments and Employment-based Retirement Income of Persons Who Are 65 Years of Age or Older"

Amend the bill by striking out the title and substituting the following:

'An Act To Exempt from the Income Tax Military Survivors Annuity Payments'

Amend the bill by striking out all of section 1 (page 1, lines 2 to 32 in L.D.)

Amend the bill in section 3 in paragraph GG in the last line (page 1, line 42 in L.D.) by inserting after the following: ";" the following: 'and'

Amend the bill by striking out all of sections 4 and 5 (page 2, lines 1 to 22 in L.D.) and inserting the following:

'Sec. 4. 36 MRSA §5122, sub-§2, ¶HH is enacted to read:

HH. To the extent included in federal adjusted gross income, annuity payments made to the survivor of a deceased member of the military as the result of service in active or reserve components of the United States Army, Navy, Air Force, Marines or Coast Guard under a survivor benefit plan or reserve component survivor benefit plan pursuant to 10 United States Code, Chapter 73.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

The amendment changes the income tax exemption for military death payments from death gratuities, which are already tax exempt, to exempting certain annuity payments that are currently taxed. It also removes provisions that provide an income tax exemption

H. 48.

COMMITTEE AMENDMENT "A" to H.P. 284, L.D. 358

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to persons who are 65 years of age or older for retirement income from an employment-based retirement plan and maintains the current limited retirement benefit exemption.

FISCAL NOTE REQUIRED

(See attached)



Approved: 04/24/11 *mac*

125th MAINE LEGISLATURE

LD 358

LR 1189(02)

An Act To Exempt from the Income Tax Military Death Payments and Employment-based Retirement Income of Persons Who Are 65 Years of Age or Older

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Minor revenue decrease - General Fund

Minor revenue decrease - Other Special Revenue Funds

Minor cost increase - General Fund

Fiscal Detail and Notes

Exempting from income taxation certain annuity payments made under a survivor benefit plan or reserve component survivor benefit plan pursuant to 10 United States Code, Chapter 73 will result in minor revenue reductions to the General Fund and minor reductions in revenue sharing. Any costs associated with administering this exemption can be absorbed by Maine Revenue Services within existing budgeted resources.