

# MAINE STATE LEGISLATURE

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L.D. 647

Date: 4/26/11 Majority

(Filing No. H-123)

**TAXATION**

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

COMMITTEE AMENDMENT "A" to H.P. 477, L.D. 647, Bill, "An Act To Exempt Retired Military Pay from State Income Tax"

Amend the bill by striking out all of section 4 (page 2, lines 1 to 14 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, \$10,000 of benefits paid under a military retirement plan. For purposes of this paragraph, "military retirement plan" means benefits received as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard.

**Sec. 5. Application.** This Act applies to tax years beginning on or after January 1, 2011.'

**SUMMARY**

This amendment changes the bill by increasing the current state income tax exemption for military retirement benefits from \$6,000 to \$10,000 instead of exempting, phased in over a 5-year period, all military pension benefits.

**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 125th MAINE LEGISLATURE

LD 647

LR 328(02)

**An Act To Exempt Retired Military Pay from State Income Tax**

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

**Committee: Taxation**

**Fiscal Note Required: Yes**

## Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$3,862,672	\$2,955,036	(\$3,043,687)	\$3,134,997
<b>Revenue</b>				
General Fund	(\$3,862,672)	(\$2,955,036)	\$3,043,687	(\$3,134,997)
Other Special Revenue Funds	(\$203,299)	(\$155,528)	(\$160,194)	(\$165,000)

### Fiscal Detail and Notes

Increasing the current state income tax exemption for military retirement benefits from \$6,000 to \$10,000 will result in losses to the General Fund and reduce revenue sharing. The impact is highest for fiscal year 2011-12 because by the time the bill becomes law the impact from January 1, 2011 to June 30, 2011 would have to be credited in fiscal year 2011-12.