

# MAINE STATE LEGISLATURE

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8mg  
ROES

L.D. 805

Date: 5/3/11

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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. 601, L.D. 805, Bill, "An Act To Decrease the Tax Burden on Maine's Seniors"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**Sec. 1. 36 MRSA §5219-FF** is enacted to read:

**§5219-FF. Senior credit**

For a taxpayer who has reached 65 years of age by the end of a taxable year, a credit is allowed in the following amount.

**1. Phase-in of credit.** The credit is equal to the following percentage of the tax that would otherwise be due under this Part after the application of all other credits.

A. For tax years beginning in 2014, the credit is 10%.

B. For tax years beginning in 2015, the credit is 20%.

C. For tax years beginning in 2016, the credit is 30%.

D. For tax years beginning in 2017, the credit is 40%.

E. For tax years beginning in or after 2018, the credit is 50%.

**2. Married persons filing jointly.** For married persons filing jointly, if only one of the persons has reached 65 years of age by the end of the taxable year, the credit is equal to 1/2 of the amount calculated under subsection 1.'

**SUMMARY**

This amendment strikes the bill. It phases in the income tax credit for seniors 65 years of age or older over a 5-year period beginning in 2014 and clarifies the application of the credit to married persons when only one person has reached 65 years of age.

**FISCAL NOTE REQUIRED**

(See attached)

**COMMITTEE AMENDMENT**



# 125th MAINE LEGISLATURE

LD 805

LR 703(02)

## An Act To Decrease the Tax Burden on Maine's Seniors

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	\$0	\$0	\$8,417,751	\$30,683,349
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	\$0	\$64,505
<b>Revenue</b>				
General Fund	\$0	\$0	(\$8,417,751)	(\$30,618,844)
Other Special Revenue Funds	\$0	\$0	(\$443,040)	(\$1,611,518)

### Fiscal Detail and Notes

Providing a 50% income tax credit that is phased in over 5 years to taxpayers who are 65 years of age and older and making the credit equal to half the amount otherwise due when for married persons filing jointly only one filer has reached 65 years of age by the end of the taxable year will reduce revenues to the General Fund and reduce revenue sharing starting in fiscal year 2013-14. Maine Revenue Services (MRS) will require a one-time appropriation during fiscal year 2014-15 of \$12,734 for computer programming and an ongoing appropriation starting in fiscal year 2014-15 for one Tax Examiner and related administrative support to confirm the age eligibility of those taking the credit and to respond to related queries. MRS also notes that if the full credit were available in fiscal year 2014-15 then the revenue reduction could be as large as approximately \$118 million.