

MAINE STATE LEGISLATURE

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Date: 4/3/14

Minority

L.D. 1839
(Filing No. H-801)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1321, L.D. 1839, Bill, "An Act To Increase the Deduction for Pension Income"

Amend the bill in section 1 in paragraph M-1 by striking out all of subparagraph (4) (page 1, lines 29 and 30 in L.D.) and inserting the following:

'(4) "Pension deduction amount" means \$10,000 for tax years beginning on or after January 1, in 2014, \$15,000 for tax years beginning in 2015 or 2016, \$20,000 for tax years beginning in 2017 or 2018, \$25,000 for tax years beginning in 2019 or 2020 and \$30,000 for tax years beginning on or after January 1, 2021.'

SUMMARY

This amendment, which is the minority report of the committee, increases the maximum Maine individual income tax pension deduction amount from \$10,000 to \$15,000 beginning in 2015, \$20,000 beginning in 2017, \$25,000 beginning in 2019 and \$30,000 beginning in 2021.

**FISCAL NOTE REQUIRED
(See attached)**

COMMITTEE AMENDMENT



126th MAINE LEGISLATURE

LD 1839

LR 2808(02)

An Act To Increase the Deduction for Pension Income

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Taxation

Fiscal Note Required: Yes

ACH-801

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$3,692,650	\$12,429,800	\$17,578,800
Revenue				
General Fund	\$0	(\$3,692,650)	(\$12,429,800)	(\$17,578,800)
Other Special Revenue Funds	\$0	(\$194,350)	(\$654,200)	(\$925,200)

Fiscal Detail and Notes

This bill increases the maximum Maine individual income tax pension deduction amount from \$10,000 to \$15,000 in 2015 and 2016, to \$20,000 in 2017 and 2018 and to \$30,000 beginning in 2021. This increase would result in a loss of General Fund and Local Government Fund revenue of \$3,692,650 and \$194,350, respectively, in fiscal year 2014-15. In 2021, when the deduction reaches \$30,000, it is estimated that General Fund revenue would be reduced by approximately \$60,000,000.