

MAINE STATE LEGISLATURE

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(Filing No. S- 72)

MAJORITY TAXATION

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STATE OF MAINE SENATE 130TH LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 31, L.D. 23, "An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans"

Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 36 MRSA §5122, sub-§2, ¶XX is enacted to read:

XX. For taxable years beginning on or after January 1, 2022, the portion of contributions to a qualified tuition program established under Section 529 of the Code up to \$1,000 per designated beneficiary. This deduction may not be claimed when federal adjusted gross income exceeds \$100,000 for a single individual and married persons filing separate returns or \$200,000 for individuals filing married joint returns and heads of households.

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides a one-time General Fund appropriation of \$22,000 in fiscal year 2022-23 to the Department of Administrative and Financial Services for computer programming to add lines to the individual income tax and fiduciary income tax returns.

GENERAL FUND	2021-22	2022-23
All Other	\$0	\$22,000
GENERAL FUND TOTAL	\$0	\$22,000

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

ROFS

SUMMARY

This amendment changes the starting date for the reinstated income tax deduction for contributions to so-called Section 529 education savings plans from tax years beginning on or after January 1, 2021 to tax years beginning on or after January 1, 2022. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

**130th MAINE LEGISLATURE****LD 23****LR 175(02)****An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans****Fiscal Note for Bill as Amended by Committee Amendment "A" (5-72)****Committee: Taxation****Fiscal Note Required: Yes**

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$1,019,500	\$997,500	\$1,045,000
Appropriations/Allocations				
General Fund	\$0	\$22,000	\$0	\$0
Revenue				
General Fund	\$0	(\$997,500)	(\$997,500)	(\$1,045,000)
Other Special Revenue Funds	\$0	(\$52,500)	(\$52,500)	(\$55,000)

Fiscal Detail and Notes

The bill would result in a reduction in General Fund revenue of \$997,500 in fiscal year 2022-23 and a reduction in Local Government Fund revenue of \$52,500 in fiscal year 2022-23. The bill includes a one-time General Fund appropriation of \$22,000 in fiscal year 2022-23 to the Department of Administrative and Financial Services for computer programming to add lines to the individual income tax and fiduciary income tax returns.