

MAINE STATE LEGISLATURE

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L.D. 1184

2 Date: 6-2-21

(Filing No. H-324)

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**MINORITY
TAXATION**

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 862, L.D. 1184, "An Act To Exempt from Taxation Certain Out-of-state Pensions"

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

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

XX. For tax years beginning on or after January 1, 2021, to the extent included in federal adjusted gross income, an amount equal to the amount of the taxpayer's contribution to a pension plan. This paragraph does not apply to amounts deducted under paragraph M-1 or to a taxpayer who does not meet the requirements of subparagraph (1).

(1) The subtraction allowed pursuant to this paragraph is permitted only for a taxpayer who:

(a) Made all of the contributions to the pension plan while residing in another jurisdiction that allows a similar modification by a former resident of this State for contributions made to a pension plan while a resident of this State; and

(b) Paid income taxes on the amount contributed to the pension plan.

(2) As used in this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(a) "Another jurisdiction" means another state or territory of the United States, a political subdivision of such a state or territory and the District of Columbia.

(b) "Contribution" means the total amount paid by a taxpayer to a pension plan divided by the life expectancy of that member, as determined by the United States Social Security Administration.

(c) "Employee retirement plan" has the same meaning as in paragraph M-1.

(d) "Individual retirement account" has the same meaning as in paragraph M-1.

COMMITTEE AMENDMENT

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(e) "Pension plan" means an employee retirement plan or an individual retirement account.

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 one-time funding for computer programming costs.

| | | |
|---------------------------|----------|---------|
| GENERAL FUND | | |
| All Other | 2021-22 | 2022-23 |
| | \$11,000 | \$0 |
| GENERAL FUND TOTAL | \$11,000 | \$0 |

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

SUMMARY

This amendment changes the statute allocation to avoid a conflict and adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



130th MAINE LEGISLATURE

LD 1184

LR 1067(02)

An Act To Exempt from Taxation Certain Out-of-state Pensions

Fiscal Note for Bill as Amended by Committee Amendment *A(CH-324)*

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 | \$415,250 | \$404,250 | \$399,000 | \$399,000 |
| Appropriations/Allocations | | | | |
| General Fund | \$11,000 | \$0 | \$0 | \$0 |
| Revenue | | | | |
| General Fund | (\$404,250) | (\$404,250) | (\$399,000) | (\$399,000) |
| Other Special Revenue Funds | (\$15,750) | (\$15,750) | (\$21,000) | (\$21,000) |

Fiscal Detail and Notes

The bill provides an income tax exemption for certain out-of-state pensions and will reduce General Fund revenue by \$404,250 in fiscal years 2021-22 and 2022-23. It will also reduce Local Government Fund revenue by \$15,750 in fiscal years 2021-22 and 2022-23. The bill includes a one-time General Fund appropriation of \$11,000 in fiscal year 2021-22 to the Department of Administrative and Financial Services for computer programming costs.