

# MAINE STATE LEGISLATURE

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1  
GAL  
RO2

L D 1882

Date 6/14/23

(Filing No H-531)

3

**TAXATION**

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**STATE OF MAINE**

6

**HOUSE OF REPRESENTATIVES**

7

**131ST LEGISLATURE**

8

**FIRST SPECIAL SESSION**

9

COMMITTEE AMENDMENT "A" to HP 1207, L D 1882, "An Act to Increase  
10 the Deduction from Income for Pension Benefits"

11

Amend the bill in section 1 in division (d) in subdivision (iv) in the first line (page 1,  
12 line 8 in L D ) by striking out the following "\$50,000" and inserting the following 'the  
13 maximum amount of social security benefits that may be received by a taxpayer during the  
14 taxable year under the federal Social Security Act'

15

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

17

**SUMMARY**

18

This amendment changes the maximum pension deduction for tax years beginning on  
19 or after January 1, 2024 to the maximum amount of social security benefits that may be  
20 received by a taxpayer during the taxable year under the federal Social Security Act

21

**FISCAL NOTE REQUIRED**

22

(See attached)

**COMMITTEE AMENDMENT**



# 131st MAINE LEGISLATURE

LD 1882

LR 2398(02)

## An Act to Increase the Deduction from Income for Pension Benefits

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-531)

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

|                             | FY 2023-24     | FY 2024-25     | Projections<br>FY 2025-26 | Projections<br>FY 2026-27 |
|-----------------------------|----------------|----------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>   |                |                |                           |                           |
| General Fund                | \$14,107,500   | \$28,072,500   | \$34,057,500              | \$48,402,500              |
| <b>Revenue</b>              |                |                |                           |                           |
| General Fund                | (\$14,107,500) | (\$28,072,500) | (\$34,057,500)            | (\$48,402,500)            |
| Other Special Revenue Funds | (\$742,500)    | (\$1,477,500)  | (\$1,792,500)             | (\$2,547,500)             |

#### Fiscal Detail and Notes

This bill increases the pension deduction amount for tax years beginning in 2023 to \$35,000 and for tax years beginning on or after January 1, 2024 to the maximum annual benefit under the Social Security Act. General Fund revenue will decrease by \$14,107,500 in fiscal year 2023-24 and \$28,072,500 in fiscal year 2024-25. The reductions in income tax revenue will reduce Local Government Fund revenue by \$742,500 in fiscal year 2023-24 and \$1,477,500 in fiscal year 2024-25.

Administrative costs to the Department of Administrative and Financial Services, Bureau of Revenue Services associated with the change to the pension deduction amount are expected to be minor and can be absorbed within existing budgeted resources.