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TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 477, L.D. 647, Bill, “An Act To Exempt Retired Military Pay from State Income Tax”

Amend the bill by striking out all of section 4 (page 2, lines 1 to 14 in L.D.) and inserting the following:

Sec. 4. 36 MRSA §5122, sub-§2, ¶HH is enacted to read:

HH. To the extent included in federal adjusted gross income, \$10,000 of benefits paid under a military retirement plan. For purposes of this paragraph, "military retirement plan" means benefits received as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard.

Sec. 5. Application. This Act applies to tax years beginning on or after January 1, 2011.'

SUMMARY

This amendment changes the bill by increasing the current state income tax exemption for military retirement benefits from \$6,000 to \$10,000 instead of exempting, phased in over a 5-year period, all military pension benefits.