



132nd MAINE LEGISLATURE

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Legislative Document

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H.P. 1005

House of Representatives, April 8, 2025

An Act to Reduce the Income Tax Paid by Volunteers for Mileage Reimbursements

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative CRAFTS of Newcastle.

1 **Be it enacted by the People of the State of Maine as follows:**

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

3 AAA. For tax years beginning on or after January 1, 2026, to the extent included in
4 federal adjusted gross income, any amount received as reimbursement for miles driven
5 in service of a charitable organization above the amount that the taxpayer would be
6 eligible for if the miles were driven for business purposes as determined using the
7 standard reimbursement rate for miles driven for business purposes as provided by the
8 United States Internal Revenue Service and as applicable to that tax year.

9 **SUMMARY**

10 This bill reduces the income on which state tax is paid for certain travel reimbursements
11 received.

12 The United States Internal Revenue Service maintains standard rates for deductible
13 costs for the use of an automobile. Reimbursements received by an individual at a rate
14 above the applicable federal mileage rate may be taxable under federal law. Currently the
15 reimbursement rate for miles driven in service of charitable organizations is significantly
16 lower than the reimbursement rate for business purposes.

17 The bill provides that, for the purposes of income tax in this State, the only portion of
18 the reimbursements received for miles driven in service of a charitable organization that is
19 taxable is any amount that exceeds the amount that would be deductible under federal law
20 if the reimbursements were for miles traveled for business purposes as determined using
21 the standard reimbursement rate provided by the United States Internal Revenue Service
22 applicable to that tax year.