

**TAXATION COMMITTEE**

jsj 4/28/2021 4:13 PM

**130<sup>th</sup> LEGISLATURE**

**1st REG SESSION**

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
136	705			Hanley	An Act To Increase the Maximum Pension Deduction for State Income Tax	<p>This bill <u>increases</u> the maximum annual income tax pension deduction amount for nonmilitary retirement pensions <u>by \$5,000 per year from current \$10,000 to \$35,000 over a 5-year period beginning with the 2021 tax year.</u></p> <p>The \$35,000 pension deduction amount that applies <u>after the 2025 tax year is subject to an annual inflation adjustment.</u></p>			
1145	1313			Warren	An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions	<p>This bill provides an income tax deduction for retirement benefits under state, local or federal government retirement plans that are based on employment compensation for which contributions are not made to the federal Social Security system.</p>			
1184	1067			Wadsworth	An Act To Exempt from Taxation Certain Out-of-state Pensions	<p>This bill provides an income tax deduction certain income from out-of-state pensions in order to avoid double taxation of that income.</p> <p>The exemption is only for the amount of the pension contribution made by the taxpayer divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction.</p> <p>In order to qualify for the exemption, the pension contribution must have been made using income on which income tax was paid and is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine.</p>			

<sup>1</sup> . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

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1227	1268			Dodge	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	<p>This bill establishes an <u>income tax deduction</u> for taxpayers who receive civil service <u>retirement plan benefits that do not participate in the federal Social Security</u> program in recognition of the fact that the current law provides an income tax deduction for all Social Security benefits in addition to a \$10,000 pension exemption for retirement plan benefits.</p> <p>The bill phases in greater parity in the treatment of the 2 types of pension systems by increasing the civil service pension deduction amount by \$5,000 per year until 2025 when it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act.</p>			
1243	818			Sampson	An Act To Exempt from Taxation Out-of-state Pensions	<p>This bill provides an <u>income tax deduction</u> for the portion of <u>retirement benefits attributable to a taxpayer's contribution to an employee retirement plan or an individual retirement account the taxpayer contributed to while the resident of another jurisdiction</u> if those benefits are included in federal adjusted gross income.</p>			

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