

Shaded LDs have been voted on by the Committee

5/6/21

TAXATION COMMITTEE

jsj

**130th 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 ¹	
								FY22	FY23
136	705	4/29		Hanley	An Act To Increase the Maximum Pension Deduction for State Income Tax	This bill <u>increases</u> the maximum annual income tax <u>pension deduction</u> 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> The \$35,000 pension deduction amount that applies <u>after the 2025 tax year is subject to an annual inflation adjustment.</u>			
1145	1313	4/29		Warren	An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions	This bill provides an <u>100% income tax deduction for</u> <u>1. retirement benefits under state, local or federal government retirement plans</u> that are based on employment compensation <u>2. for which contributions are not made to the federal Social Security system.</u>			

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

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY22	FY23
1184	1067			Wadsworth	An Act To Exempt from Taxation Certain Out-of-state Pensions	<p>This bill provides an <u>income tax deduction certain income from out-of-state pensions</u> 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, <u>the pension contribution</u>;</p> <ol style="list-style-type: none"> 1. <u>must have been subject to income tax for the retired person when working</u> and 2. <u>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.</u> 			
1227	1268	4/27		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 <u>civil service retirement plan benefits (CSRPB)</u> that do not participate in the federal Social Security. The benefit is equal to the lesser of</p> <ol style="list-style-type: none"> 1. <u>aggregate CSRPB</u> or 2. <u>The civil service deduction amount reduced by SSA and railroad retirement benefits</u> received. <p>The civil service pension deduction is \$15,000 in 2021 and <u>increase \$5,000 per year until it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act</u> (\$142,800 in 2021).</p> <p><u>There may be problem with definition of "civil service retirement plan benefits."</u></p> <p>CURRENT LAW: SSA 100% exempt form IT Pension Exemption of \$10,000 minus SSA benefits (whether public or private pension)</p> <p>Appears to be the same as LD 1413</p>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY22	FY23
1243	818	4/27		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> <p>Does not require that the retired person have paid in the <u>other jurisdiction at time of the contribution.</u></p> <p>MRS has technical concerns.</p>			
1413	1471			Rafferty	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 <u>civil service retirement plan benefits (CSRPB) that do not participate in the federal Social Security.</u> The benefit is equal to the lesser of</p> <ol style="list-style-type: none"> 1. <u>aggregate CSRPB</u> or 2. The <u>civil service deduction amount reduced by SSA and railroad retirement benefits</u> received. <p>The civil service pension deduction is <u>\$15,000</u> in 2021 and <u>increase \$5,000 per year until it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act</u> (\$142,800 in 2021).</p> <p><u>There may be problem with definition of "civil service retirement plan benefits."</u></p> <p>CURRENT LAW: SSA 100% exempt form IT Pension Exemption of \$10,000 minus SSA benefits (whether public or private pension)</p> <p>Appears to be the same as LD 1227.</p>			

P:\OFPR\TAXCMTE\130th-1\commchartmaster.docx