

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶LL, as amended by PL 2015, c. 1, §5, is further amended to read:

LL. To the extent included in federal adjusted gross income and to the extent otherwise subject to Maine income tax, an amount equal to military compensation earned during the taxable year for service performed outside of this State pursuant to written military orders:

(1) For active duty service in the active components of the United States Army, Navy, Air Force, Marines or Coast Guard by a service member whose permanent duty station during such service is located outside of this State; and

(2) For active duty service in the active or reserve components of the United States Army, Navy, Air Force, Marines or Coast Guard or in the Maine National Guard by a service member in support of a federal operational mission or a declared state or federal disaster response when the orders are either at federal direction or at the direction of the Governor of this State;

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2019.

SUMMARY

This bill provides an income tax exemption for military compensation for active duty service by members of the Armed Forces of the United States, including reserve components, when that service is performed within the State. Military compensation for service performed outside of the State is currently exempt from taxation.