



# 131st MAINE LEGISLATURE

LD 1882

LR 2398(02)

## An Act to Increase the Deduction from Income for Pension Benefits

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$14,107,500	\$28,072,500	\$34,057,500	\$48,402,500
<b>Revenue</b>				
General Fund	(\$14,107,500)	(\$28,072,500)	(\$34,057,500)	(\$48,402,500)
Other Special Revenue Funds	(\$742,500)	(\$1,477,500)	(\$1,792,500)	(\$2,547,500)

### Fiscal Detail and Notes

This bill increases the pension deduction amount for tax years beginning in 2023 to \$35,000 and for tax years beginning on or after January 1, 2024 to the maximum annual benefit under the Social Security Act. General Fund revenue will decrease by \$14,107,500 in fiscal year 2023-24 and \$28,072,500 in fiscal year 2024-25. The reductions in income tax revenue will reduce Local Government Fund revenue by \$742,500 in fiscal year 2023-24 and \$1,477,500 in fiscal year 2024-25.

Administrative costs to the Department of Administrative and Financial Services, Bureau of Revenue Services associated with the change to the pension deduction amount are expected to be minor and can be absorbed within existing budgeted resources.