



125th MAINE LEGISLATURE

LD 647

LR 328(02)

An Act To Exempt Retired Military Pay from State Income Tax

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

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$3,862,672	\$2,955,036	\$3,043,687	\$3,134,997
Revenue				
General Fund	(\$3,862,672)	(\$2,955,036)	(\$3,043,687)	(\$3,134,997)
Other Special Revenue Funds	(\$203,299)	(\$155,528)	(\$160,194)	(\$165,000)

Fiscal Detail and Notes

Increasing the current state income tax exemption for military retirement benefits from \$6,000 to \$10,000 will result in losses to the General Fund and reduce revenue sharing. The impact is highest for fiscal year 2011-12 because by the time the bill becomes law the impact from January 1, 2011 to June 30, 2011 would have to be credited in fiscal year 2011-12.