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An Act To Exempt Active Duty Armed Services Income from the Income Tax

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

Sec. 1. 36 MRSA §5122, sub-§2, ¶FF, as corrected by RR 2009, c. 2, §112, is amended to read:

FF. To the extent included in federal adjusted gross income, student loan payments made by the taxpayer's employer in accordance with section 5217-D; and

Sec. 2. 36 MRSA §5122, sub-§2, ¶GG, as reallocated by RR 2009, c. 2, §113, is amended to read:

GG. To the extent included in the taxpayer's federal adjusted gross income, the recovery of a portion of a federal standard deduction claimed in a prior year for which the taxpayer was not allowed under this Part to reduce federal adjusted gross income or Maine adjusted gross income for that year; and

Sec. 3. 36 MRSA §5122, sub-§2, ¶HH is enacted to read:

HH. Income received by an individual for active duty in the Armed Forces of the United States, as defined in the Code, Section 7701(a)(15).

Sec. 4. Application. This Act applies to tax years beginning on or after January 1, 2011.

SUMMARY

This bill exempts from income tax income received by an individual for active duty in the Armed Forces of the United States.