



128th MAINE LEGISLATURE

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Legislative Document

No. 77

H.P. 64

House of Representatives, January 11, 2017

**An Act To Exempt from Maine Income Tax Income Earned by
Members of the Armed Services While on Active Duty**

Reference to the Committee on Taxation suggested and ordered printed.

Handwritten signature of Robert B. Hunt in cursive.

ROBERT B. HUNT
Clerk

Presented by Representative ESPLING of New Gloucester.
Cosponsored by Representatives: FARRIN of Norridgewock, FREDETTE of Newport,
HANLEY of Pittston, PIERCE of Dresden.

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

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

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

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

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

16 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,
17 2017.

18 **SUMMARY**

19 This bill provides an income tax exemption for military compensation for active duty
20 service by members of the armed forces of the United States when that service is
21 performed within the State. Military compensation for service performed outside of the
22 State is currently exempt from taxation.