

**§5219-S. Earned income credit**

**1. Resident taxpayer; tax years beginning 2020, 2021.** For tax years beginning on or after January 1, 2020 but before January 1, 2022, a resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal earned income credit for the same taxable year for a resident eligible individual who does not have a qualifying child and 12% of the federal earned income credit for the same taxable year for all other resident eligible individuals; except that, for taxable years beginning after December 31, 2020 and before January 1, 2022, a resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 20% of the federal earned income credit for the same taxable year. [PL 2021, c. 635, Pt. E, §1 (AMD).]

**1-A. Resident taxpayer; tax years beginning 2022 or after.** For tax years beginning on or after January 1, 2022, a resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal earned income credit for the same taxable year for a resident eligible individual who does not have a qualifying child and 25% of the federal earned income credit for the same taxable year for all other resident eligible individuals. [PL 2021, c. 635, Pt. E, §2 (NEW).]

**2. Nonresident taxpayer; tax years beginning 2020, 2021.** For tax years beginning on or after January 1, 2020 but before January 1, 2022, a nonresident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal earned income credit for the same taxable year for a nonresident eligible individual who does not have a qualifying child and 12% of the federal earned income credit for the same taxable year for all other nonresident eligible individuals, except that, for taxable years beginning after December 31, 2020 and before January 1, 2022, all nonresident eligible individuals are allowed a credit in the amount of 20% of the federal earned income credit for the same taxable year, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122. [PL 2021, c. 635, Pt. E, §3 (AMD).]

**2-A. Nonresident taxpayer; tax years beginning 2022 or after.** For tax years beginning on or after January 1, 2022, a nonresident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal earned income credit for the same taxable year for a nonresident eligible individual who does not have a qualifying child and 25% of the federal earned income credit for the same taxable year for all other nonresident eligible individuals, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122. [PL 2021, c. 635, Pt. E, §4 (NEW).]

**3. Part-year resident taxpayer; tax years beginning 2020, 2021.** For tax years beginning on or after January 1, 2020 but before January 1, 2022, an eligible individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal earned income credit for the same taxable year for an eligible part-year individual who does not have a qualifying child and 12% of the federal earned income credit for the same taxable year for all other eligible part-year individuals, except that, for taxable years beginning after December 31, 2020 and before January 1, 2022, all eligible part-year individuals are allowed a credit in the amount of 20% of the federal earned income credit for the same taxable year, multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a

nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2021, c. 635, Pt. E, §5 (AMD).]

**3-A. Part-year resident taxpayer; tax years beginning 2022 or after.** For tax years beginning on or after January 1, 2022, an eligible individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal earned income credit for the same taxable year for an eligible part-year individual who does not have a qualifying child and 25% of the federal earned income credit for the same taxable year for all other eligible part-year individuals, multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2021, c. 635, Pt. E, §6 (NEW).]

**4. Limitation.** The credit allowed by this section may not reduce the Maine income tax to less than zero, except that for tax years beginning on or after January 1, 2016, the credit allowed under subsections 1, 1-A, 3 and 3-A is refundable.

[PL 2021, c. 759, Pt. A, §1 (AMD).]

**5. Eligible individual under 25 years of age and without a qualifying child.** The credit for an eligible individual who is entitled to a credit under subsections 1 to 3-A, has not attained 25 years of age and does not have a qualifying child for the taxable year must be calculated in the same manner as it would be calculated if that individual were eligible for a federal earned income credit.

[PL 2021, c. 635, Pt. E, §8 (AMD).]

**6. Eligible individual defined.** For tax years beginning on or after January 1, 2020, for the purposes of this section, unless the context otherwise indicates, "eligible individual" has the same meaning as under Section 32(c)(1) of the Code except that "eligible individual" also includes an individual who does not have a qualifying child for the taxable year, who is at least 18 years of age and has not attained 25 years of age before the close of the taxable year and who also meets the qualifications under Section 32(c)(1)(A)(ii)(I) and (III) of the Code.

[PL 2019, c. 527, Pt. B, §2 (NEW).]

**7. Federal individual taxpayer identification numbers.** For tax years beginning on or after January 1, 2021, for an individual who files a federal income tax return, notwithstanding Section 32(m) of the Code, for purposes of calculating the credit allowed pursuant to this section, the taxpayer identification number required by Section 32(c)(1)(E) and 32(c)(3)(D) of the Code means a federal individual taxpayer identification number issued to an individual by the Internal Revenue Service or a social security number issued to an individual by the Social Security Administration on or before the due date for filing the return for the taxable year.

[PL 2021, c. 479, §1 (NEW).]

**REVISOR'S NOTE:** §5219-S. Credit for consumption of wood processing residue (As enacted by PL 1999, c. 755, §1 is REALLOCATED TO TITLE 36, SECTION 5219-T)

#### SECTION HISTORY

RR 1999, c. 2, §35 (RAL). PL 1999, c. 731, §V1 (NEW). PL 1999, c. 731, §V2 (AFF). PL 1999, c. 755, §1 (NEW). PL 2003, c. 20, §GG1 (AMD). PL 2007, c. 693, §31 (RPR). PL 2009, c. 213, Pt. BBBB, §16 (AMD). PL 2015, c. 267, Pt. DD, §31 (AMD). PL 2015, c. 267, Pt. DD, §34 (AFF). PL 2015, c. 328, §8 (AMD). PL 2019, c. 527, Pt. B, §2 (AMD). PL 2021, c. 398, Pt. H, §§3-5 (AMD). PL 2021, c. 479, §1 (AMD). PL 2021, c. 493, §§1, 2 (AMD). PL 2021, c. 635, Pt. E, §§1-8 (AMD). PL 2021, c. 759, Pt. A, §1 (AMD).

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