



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

---

Legislative Document

No. 409

---

H.P. 275

House of Representatives, February 12, 2015

### **An Act To Lower the Individual Income Tax Incrementally to Zero**

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative O'CONNOR of Berwick.  
Cosponsored by Senator BRAKEY of Androscoggin and  
Representatives: DUNPHY of Embden, GERRISH of Lebanon, GUERIN of Glenburn,  
LOCKMAN of Amherst, LONG of Sherman, SIROCKI of Scarborough, VACHON of  
Scarborough, Senator: MASON of Androscoggin.

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

2 **Sec. 1. 36 MRSA §5111, sub-§6** is enacted to read:

3 **6. Incremental reduction.** For tax years beginning on or after January 1, 2016,  
4 taxes calculated under subsections 1-D, 2-D or 3-D are reduced by 25%.

5 A. Beginning in 2017, the State Tax Assessor shall determine annually by September  
6 15th whether General Fund revenue received in the previous fiscal year exceeds the  
7 General Fund revenue received in fiscal year 2014-15. If the State Tax Assessor  
8 determines that General Fund revenue received in the preceding fiscal year exceeds  
9 the General Fund revenue received in fiscal year 2014-15, the tax due under this  
10 section for tax years beginning on or after January 1st of the succeeding calendar year  
11 is reduced by 50%.

12 B. Beginning in the year following implementation of a reduction in taxes under  
13 paragraph A, the State Tax Assessor shall determine by September 15th whether  
14 General Fund revenue received in the previous fiscal year exceeds the General Fund  
15 revenue received in the fiscal year preceding the fiscal year in which the reduction  
16 under paragraph A first took effect. If the State Tax Assessor determines that  
17 General Fund revenue received in the preceding fiscal year exceeds the General Fund  
18 revenue received in the fiscal year preceding when the reduction under paragraph A  
19 first took effect, the tax due under this section for tax years beginning on or after  
20 January 1st of the succeeding calendar year is reduced by 75%.

21 C. Beginning in the year following implementation of a reduction in taxes under  
22 paragraph B, the State Tax Assessor shall determine by September 15th whether  
23 General Fund revenue received in the previous fiscal year exceeds the General Fund  
24 revenue received in the fiscal year preceding the fiscal year in which the reduction  
25 under paragraph B first took effect. If the State Tax Assessor determines that General  
26 Fund revenue received in the preceding fiscal year exceeds the General Fund revenue  
27 received in the fiscal year preceding when the reduction under paragraph B first took  
28 effect, the tax due under this section for tax years beginning on or after January 1st of  
29 the succeeding calendar year is reduced by 100%.

30 **Sec. 2. Legislation implementing reduction of individual income tax.** By  
31 January 1, 2016, the Department of Administrative and Financial Services, Bureau of  
32 Revenue Services shall submit to the Joint Standing Committee on Taxation any draft  
33 legislation necessary to implement the incremental reduction to the individual income tax  
34 as provided in this Act. The committee may report out legislation to implement this Act  
35 to the Second Regular Session of the 127th Legislature.

36 **SUMMARY**

37 This bill provides for the phase-out of the individual income tax.