



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

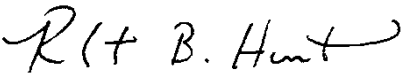
No. 96

H.P. 79

House of Representatives, January 16, 2015

An Act To Increase the State Earned Income Credit

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative STUCKEY of Portland.
Cosponsored by Senator ALFOND of Cumberland and
Representatives: HAMANN of South Portland, SANBORN of Gorham, Senator: HASKELL of
Cumberland.

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

2 **Sec. 1. 36 MRSA §5219-S**, as amended by PL 2009, c. 213, Pt. BBBB, §16, is
3 further amended to read:

4 **§5219-S. Earned income credit**

5 **1. Resident taxpayer.** A resident individual is allowed a credit against the tax
6 otherwise due under this Part in the amount of ~~5%~~ 10% of the federal earned income
7 credit for the same taxable year, except that for tax years beginning in 2009 and 2010, the
8 applicable percentage is 4% and for tax years beginning in 2011 but ending before 2015
9 the applicable percentage is 5%.

10 **2. Nonresident taxpayer.** A nonresident individual is allowed a credit against the
11 tax otherwise due under this Part in the amount of ~~5%~~ 10% of the federal earned income
12 credit for the same taxable year, except that for tax years beginning in 2009 and 2010, the
13 applicable percentage is 4% and for tax years beginning in 2011 but ending before 2015
14 the applicable percentage is 5%, multiplied by the ratio of the individual's Maine adjusted
15 gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's
16 entire federal adjusted gross income, as modified by section 5122.

17 **3. Part-year resident taxpayer.** An individual who files a return as a part-year
18 resident in accordance with section 5224-A is allowed a credit against the tax otherwise
19 due under this Part in the amount of ~~5%~~ 10% of the federal earned income credit for the
20 same taxable year, except that for tax years beginning in 2009 and 2010, the applicable
21 percentage is 4% and for tax years beginning in 2011 but ending before 2015 the
22 applicable percentage is 5%, multiplied by a ratio, the numerator of which is the
23 individual's Maine adjusted gross income as defined in section 5102, subsection 1-C,
24 paragraph A for that portion of the taxable year during which the individual was a
25 resident plus the individual's Maine adjusted gross income as defined in section 5102,
26 subsection 1-C, paragraph B for that portion of the taxable year during which the
27 individual was a nonresident and the denominator of which is the individual's entire
28 federal adjusted gross income, as modified by section 5122.

29 **4. Refund.** The credit allowed by this section ~~may not reduce the Maine income tax~~
30 ~~to less than zero~~ is fully refundable, except that, for tax years beginning before 2015, the
31 credit allowed by this section may not reduce the Maine income tax to less than zero.

32 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,
33 2015.

34 **SUMMARY**

35 This bill, beginning in 2015, increases the state earned income credit from 5% to 10%
36 of the federal earned income credit and provides that the state earned income credit is
37 fully refundable.