



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 834

H.P. 585

House of Representatives, March 5, 2013

An Act To Make the Income Tax More Equitable for Citizens of the State

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative HAYES of Buckfield.
Cosponsored by Representative CHENETTE of Saco, Senator SAVIELLO of Franklin.

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

2 **Sec. 1. 36 MRSA §5111, sub-§1-C**, as enacted by PL 2011, c. 380, Pt. N, §2 and
3 affected by §19, is amended to read:

4 **1-C. Single individuals and married persons filing separate returns; tax years**
5 **beginning 2013.** For tax years beginning on or after January 1, 2013, for single
6 individuals and married persons filing separate returns:

7	If Maine Taxable income is:	The tax is:
8	At least \$5,000 but less than \$19,950	6.5% of the excess over \$5,000
9	\$19,950 or more but less than <u>\$125,000</u>	\$972 plus 7.95% of the excess over
10		\$19,950
11	<u>\$125,000 or more</u>	<u>\$9,323 plus 8.5% of the excess over</u>
12		<u>\$125,000</u>

13 **Sec. 2. 36 MRSA §5111, sub-§2-C**, as enacted by PL 2011, c. 380, Pt. N, §4 and
14 affected by §19, is amended to read:

15 **2-C. Heads of households; tax years beginning 2013.** For tax years beginning on
16 or after January 1, 2013, for unmarried individuals or legally separated individuals who
17 qualify as heads of households:

18	If Maine Taxable income is:	The tax is:
19	At least \$7,500 but less than \$29,900	6.5% of the excess over \$7,500
20	\$29,900 or more but less than <u>\$187,500</u>	\$1,456 plus 7.95% of the excess over
21		\$29,900
22	<u>\$187,500 or more</u>	<u>\$13,985 plus 8.5% of the excess over</u>
23		<u>\$187,500</u>

24 **Sec. 3. 36 MRSA §5111, sub-§3-C**, as enacted by PL 2011, c. 380, Pt. N, §6 and
25 affected by §19, is amended to read:

26 **3-C. Individuals filing married joint return or surviving spouses; tax years**
27 **beginning 2013.** For tax years beginning on or after January 1, 2013, for individuals
28 filing married joint returns or surviving spouses permitted to file a joint return:

29	If Maine Taxable income is:	The tax is:
30	At least \$10,000 but less than \$39,900	6.5% of the excess over \$10,000
31	\$39,900 or more but less than <u>\$250,000</u>	\$1,944 plus 7.95% of the excess over
32		\$39,900
33	<u>\$250,000 or more</u>	<u>\$18,647 plus 8.5% of the excess over</u>
34		<u>\$250,000</u>

35 **SUMMARY**

36 This bill reinstates the 8.5% tax rate for high-income taxpayers. The higher tax rates
37 apply to individuals filing married joint returns or surviving spouses who have Maine

1 taxable income of \$250,000 or more, heads of households who have Maine taxable
2 income of \$187,500 or more and single individuals and married persons filing separate
3 returns who have Maine taxable income of \$125,000 or more.