TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION


Amend the bill in section 2 in §5219-S by striking out all of subsections 1, 2 and 3 (page 1, lines 15 to 36 in L.D.) and inserting the following:

'1. Resident taxpayer. A resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of $5% 60% of the federal earned income credit for the same taxable year for an eligible individual who does not have an eligible child and, for all other eligible individuals, 15% for tax years beginning in 2020, 18% for tax years beginning in 2021, 20% for tax years beginning in 2022 and 23% for tax years beginning in or after 2023 of the federal earned income credit for the same taxable year, except that for tax years beginning in 2009 and 2010, the applicable percentage is 4%.

2. Nonresident taxpayer. A nonresident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of $5% 60% of the federal earned income credit for the same taxable year for an eligible individual who does not have an eligible child and, for all other eligible individuals, 15% for tax years beginning in 2020, 18% for tax years beginning in 2021, 20% for tax years beginning in 2022 and 23% for tax years beginning in or after 2023 of the federal earned income credit for the same taxable year, except that for tax years beginning in 2009 and 2010, the applicable percentage is 4%, 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.

3. Part-year resident taxpayer. 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 $5% 60% of the federal earned income credit for the same taxable year for an eligible individual who does not have an eligible child and, for all other eligible individuals, 15% for tax years beginning in 2020, 18% for tax years beginning in 2021, 20% for tax years beginning in 2022 and 23% for tax years beginning on or after 2023 of the federal earned income credit for the same taxable year,
except that for tax years beginning in 2009 and 2010, the applicable percentage is 4%,
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.'

Amend the bill in section 2 in §5219-S in subsection 6 in the first line (page 2, line 6
in L.D.) by striking out the following: "2019" and inserting the following: '2020'

Amend the bill by adding after section 2 the following:

'Sec. 3. Application. This Act applies to tax years beginning on or after January 1,
2020.

Sec. 4. Appropriations and allocations. The following appropriations and
allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002

Initiative: Provides funding for one Senior Tax Examiner position and related costs to
process and audit income tax returns.

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<tr>
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<th>2019-20</th>
<th>2020-21</th>
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<tbody>
<tr>
<td>POSITIONS - LEGISLATIVE COUNT</td>
<td>0.000</td>
<td>1.000</td>
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<tr>
<td>Personal Services</td>
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<td>$76,351</td>
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<tr>
<td>All Other</td>
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<tr>
<td>GENERAL FUND TOTAL</td>
<td>$0</td>
<td>$109,209</td>
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SUMMARY

This amendment, which is the minority report, expands the earned income tax credit
by increasing the credit from 5% of the federal earned income tax credit to 60% for
individuals with no qualifying children and 15% of the federal earned income tax credit
for all other eligible individuals for tax years beginning in 2020 and increasing each year
until it reaches 23% for tax years beginning in 2023 and after.

This amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)