

131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1866

H.P. 1196

House of Representatives, May 2, 2023

An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels

Reference to the Committee on Taxation suggested and ordered printed.

R(+ B. Hunt ROBERT B. HUNT

Clerk

Presented by Representative COLLINGS of Portland. Cosponsored by Representative: PERRY of Bangor.

1	Be it enacted by the People of the State of Maine as follows:	
2 3	Sec. 1. 36 MRSA §5111, sub-§1-F amended to read:	7, as enacted by PL 2015, c. 267, Pt. DD, §3, is
4 5 6	1-F. Single individuals and married persons filing separate returns; tax years beginning from 2017 to 2022. For tax years beginning on or after January 1, 2017 bu before January 1, 2023, for single individuals and married persons filing separate returns:	
7 8 9 10 11	If Maine taxable income is: Less than \$21,050 At least \$21,050 but less than \$50,000 \$50,000 or more	The tax is: 5.8% of the Maine taxable income \$1,221 plus 6.75% of the excess over \$21,050 \$3,175 plus 7.15% of the excess over
12	\$50,000 of more	\$50,000
13	Sec. 2. 36 MRSA §5111, sub-§1-0	is enacted to read:
14 15 16		d persons filing separate returns; tax years n or after January 1, 2023, for single individuals
17 18 19	If Maine taxable income is: Less than \$23,000 At least \$23,000 but less than \$54,450	The tax is: 4.5% of the Maine taxable income \$1,035 plus 6.75% of the excess over
20 21 22	At least \$54,450 but less than \$100,000	\$23,000 \$3,158 plus 7.15% of the excess over \$54,450
23 24	At least \$100,000 but less than \$250,000	\$6,415 plus 7.15% of the excess over \$100,000
25 26	At least \$250,000 but less than \$500,000	\$17,140 plus 8.75% of the excess over \$250,000
27 28	At least \$500,000 but less than \$1,000,000	\$39,015 plus 8.75% of the excess over \$500,000
29 30 31 32	At least \$1,000,000 but less than \$10,000,000 \$10,000,000 or more	\$82,765 plus 8.75% of the excess over \$1,000,000 \$870,265 plus 8.75% of the excess over \$10,000,000
33 34	Sec. 3. 36 MRSA §5111, sub-§2-F amended to read:	7, as enacted by PL 2015, c. 267, Pt. DD, §5, is
35 36 37		beginning from 2017 to 2022. For tax years afore January 1, 2023, for unmarried individuals y as heads of households:
38 39 40 41	If Maine taxable income is: Less than \$31,550 At least \$31,550 but less than \$75,000	The tax is: 5.8% of the Maine taxable income \$1,830 plus 6.75% of the excess over \$31,550
42 43	\$75,000 or more	\$4,763 plus 7.15% of the excess over \$75,000

1	Sec. 4. 36 MRSA §5111, sub-§2-G is enacted to read:	
2 3 4		beginning 2023. For tax years beginning on or lividuals or legally separated individuals who
5 6 7 8	If Maine taxable income is: Less than \$34,500 At least \$34,500 but less than \$81,700	The tax is: 4.5% of the Maine taxable income \$1,553 plus 6.75% of the excess over \$34,500
9 10	At least \$81,700 but less than \$150,000	\$4,739 plus 7.15% of the excess over \$81,700
11 12	At least \$150,000 but less than \$375,000	\$9,622 plus 7.15% of the excess over \$150,000
13 14	At least \$375,000 but less than \$750,000	\$25,709 plus 8.75% of the excess over \$375,000
15 16 17 18 19 20	At least \$750,000 but less than \$1,500,000 At least \$1,500,000 but less than \$15,000,000 stress than \$15,000,000 or more	\$58,522 plus 8.75% of the excess over \$750,000 \$124,147 plus 8.75% of the excess over \$1,500,000 \$1,305,397 plus 8.75% of the excess over \$15,000,000
21 22	Sec. 5. 36 MRSA §5111, sub-§3-l amended to read:	F, as enacted by PL 2015, c. 267, Pt. DD, §7, is
23 24 25 26	3-F. Individuals filing married joint returns or surviving spouses; tax years beginning from 2017 to 2022. For tax years beginning on or after January 1, 2017 but before January 1, 2023, for individuals filing married joint returns or surviving spouses permitted to file a joint return:	
27 28 29 30 31	If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 \$100,000 or more	The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 7.15% of the excess over
32 33	Sec. 6. 36 MRSA §5111, sub-§3-0	\$100,000 G is enacted to read:
34 35 36	3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2023. For tax years beginning on or after January 1, 2023, for individuals filing married joint returns or surviving spouses permitted to file a joint return:	
37 38 39 40 41 42 43	If Maine taxable income is: Less than \$46,000 At least \$46,000 but less than \$108,900 At least \$108,900 but less than \$200,000 At least \$200,000 but less than \$500,000	The tax is: 4.5% of the Maine taxable income \$2,070 plus 6.75% of the excess over \$46,000 \$6,316 plus 7.15% of the excess over \$108,900 \$12,829 plus 7.15% of the excess over \$200,000

1 2 3 4 5 6 7 8	At least \$500,000 but less than \$1,000,000 At least \$1,000,000 but less than \$2,000,000 At least \$2,000,000 but less than \$20,000,000 \$20,000,000 \$20,000,000 or more	\$34,279 plus 8.75% of the excess over \$500,000 \$78,029 plus 8.75% of the excess over \$1,000,000 \$165,529 plus 8.75% of the excess over \$2,000,000 \$1,740,529 plus 8.75% of the excess over \$20,000,000
9	Sec. 7. 36 MRSA §5111, sub-§7 is	enacted to read:
10 11 12 13	7. Income tax surcharge. In addition to the tax established by this section as indexed for the taxable year, there is imposed a tax surcharge on the amount of state tax liability due for any tax year that begins in 2023 or after 2023. The Maine taxable income amount must be indexed in accordance with chapter 841. The surcharge is as follows.	
14	A. For single individuals and married persons filing separate returns:	
15 16 17 18	If Maine taxable income is: At least \$1,000,000 but less than	The surcharge tax is the following percentage of the tax otherwise imposed by this section: 3%
19 20	\$10,000,000 \$10,000,000 or more	<u>6%</u>
21 22	B. For unmarried individuals or legally separated individuals who qualify as heads of households:	
23 24 25 26 27 28	If Maine taxable income is: At least \$1,500,000 but less than \$15,000,000 \$15,000,000 or more	The surcharge tax is the following percentage of the tax otherwise imposed by this section: 3% 6%
29 30		returns or surviving spouses permitted to file a
31 32 33 34 35 36	If Maine taxable income is: At least \$2,000,000 but less than \$20,000,000 \$20,000,000 or more	The surcharge tax is the following percentage of the tax otherwise imposed by this section: 3% 6%
37	SUM	IMARY
38 39 40 41 42 43	This bill makes modifications to existing tax brackets for income exceeding \$100,0 married individuals filing separately, \$150,0 and \$200,000 for individuals filing married	ng tax brackets. The bill also establishes 5 new 000 for persons filing as single individuals or 000 for individuals filing as heads of households 1 joint returns or surviving spouses and imposes 1,000,000 and a 6% surcharge on incomes of