

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Provide Income Tax Relief to Working and Middle-class Families

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

Sec. 1. 36 MRSA §5111, sub-§2-B, as enacted by PL 1999, c. 731, Pt. T, §5, is amended to read:

2-B. Heads of households; tax years beginning 2002 but before 2007. For tax years beginning on or after January 1, 2002 but before January 1, 2007, for unmarried individuals or legally separated individuals who qualify as heads of households:

| If Maine Taxable income is: | The tax is: |
|--|---|
| Less than \$6,300 | 2% of the Maine taxable income |
| At least \$6,300 but less than \$12,500 | \$126 plus 4.5% of the excess over \$6,300 |
| At least \$12,500 but less than \$25,050 | \$405 plus 7% of the excess over \$12,500 |
| \$25,050 or more | \$1,284 plus 8.5% of the excess over \$25,050 |

Sec. 2. 36 MRSA §5111, sub-§2-C is enacted to read:

2-C. Heads of households; tax years beginning 2007. For tax years beginning on or after January 1, 2007, for unmarried individuals or legally separated individuals who qualify as heads of households:

| If Maine Taxable income is: | The tax is: |
|--|---|
| Less than \$8,580 | 2% of the Maine taxable income |
| At least \$8,580 but less than \$17,040 | \$172 plus 4.5% of the excess over \$8,580 |
| At least \$17,040 but less than \$34,140 | \$553 plus 7% of the excess over \$17,040 |
| \$34,140 or more | \$1,750 plus 8.5% of the excess over \$34,140 |

Sec. 3. 36 MRSA §5111, sub-§3-B, as enacted by PL 1999, c. 731, Pt. T, §7, is amended to read:

3-B. Individuals filing married joint return or surviving spouses; tax years beginning 2002 but before 2007. For tax years beginning on or after January 1, 2002 but before January 1, 2007, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

| If Maine Taxable income is: | The tax is: |
|--|---|
| Less than \$8,400 | 2% of the Maine taxable income |
| At least \$8,400 but less than \$16,700 | \$168 plus 4.5% of the excess over \$8,400 |
| At least \$16,700 but less than \$33,400 | \$542 plus 7% of the excess over \$16,700 |
| \$33,400 or more | \$1,711 plus 8.5% of the excess over \$33,400 |

Sec. 4. 36 MRSA §5111, sub-§3-C is enacted to read:

3-C. Individuals filing married joint return or surviving spouses; tax years beginning 2007. For tax years beginning on or after January 1, 2007, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

| If Maine Taxable income is: | The tax is: |
|---|--|
| <u>Less than \$11,400</u> | <u>2% of the Maine taxable income</u> |
| <u>At least \$11,400 but less than \$22,740</u> | <u>\$228 plus 4.5% of the excess over \$11,400</u> |
| <u>At least \$22,740 but less than \$45,540</u> | <u>\$738 plus 7% of the excess over \$22,740</u> |
| <u>\$45,540 or more</u> | <u>\$2,334 plus 8.5% of the excess over \$45,540</u> |

Sec. 5. Application. This Act applies to tax years beginning on or after January 1, 2007.

SUMMARY

This bill increases the taxable income thresholds for heads of household and joint filers by approximately 20%. HP0972, LR 367, item 1, First Regular Session - 123rd Legislature, page 2