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An Act To Exempt Persons 67 Years of Age and Older from the State Income Tax

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

Sec. 1. 36 MRSA §5126, as amended by PL 2011, c. 380, Pt. N, §11 and affected by §19, is repealed.

Sec. 2. 36 MRSA §5126-A is enacted to read:

§ 5126-A. Personal exemptions; deductions

1. General. For income tax years beginning on or after January 1, 2013, a resident individual is allowed a deduction equal to the total amount of deductions allowed for personal exemptions in accordance with the Code, Section 151.

2. Individuals 67 years of age or older. For tax years beginning on or after January 1, 2015, a resident individual who has reached 67 years of age by the beginning of the tax year is allowed a deduction equal to the amount of any otherwise taxable income received by that individual during the tax year. This deduction does not apply to income received jointly with a person who has not reached 67 years of age at the beginning of the tax year.

Sec. 3. 36 MRSA §5250, sub-§2, ¶B, as amended by PL 1997, c. 668, §36, is further amended to read:

B. The dollar amount of each withholding allowance in this State must be equivalent to the amount of the personal exemption determined in section ~~5126~~5126-A whether the individual is a resident or a nonresident. [PL 1997, c. 668, § 36 (AMD).]

SUMMARY

This bill exempts from the state income tax income of residents who are 67 years of age or older unless the income is received jointly with a person who has not reached 67 years of age.