**An Act to Improve Income Tax Progressivity by Establishing a New Top Individual Income Tax Rate**

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

**Sec.** **1. 36 MRSA §5111, sub-§1-F,** as enacted by PL 2015, c. 267, Pt. DD, §3, is amended to read:

**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 but not later than December 31, 2022, for single individuals and married persons filing separate returns:

|  |  |
| --- | --- |
| If Maine taxable income is: | The tax is: |
| Less than $21,050 | 5.8% of the Maine taxable income |
| At least $21,050 but less than $50,000 | $1,221 plus 6.75% of the excess over $21,050 |
| $50,000 or more | $3,175 plus 7.15% of the excess over $50,000 |

**Sec.** **2. 36 MRSA §5111, sub-§1-G** is enacted to read:

**1-G.** **Single individuals and married persons filing separate returns; tax years** **beginning 2023.**  For tax years beginning on or after January 1, 2023, for single individuals and married persons filing separate returns:

|  |  |
| --- | --- |
| If Maine taxable income is: | The tax is: |
| Less than $23,000 | 5.8% of the Maine taxable income |
| At least $23,000 but less than $54,450 | $1,334 plus 6.75% of the excess over $23,000 |
| At least $54,450 but less than $125,000  $125,000 or more | $3,457 plus 7.15% of the excess over $54,450 $8,301 plus 11.15% of the excess over $125,000 |

**Sec.** **3. 36 MRSA §5111, sub-§2-F,** as enacted by PL 2015, c. 267, Pt. DD, §5, is amended to read:

**2-F.** **Heads of households; tax years** **~~beginning~~** **from 2017** **to 2022.**  For tax years beginning on or after January 1, 2017 but not later than December 31, 2022, for unmarried individuals or legally separated individuals who qualify as heads of households:

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| If Maine taxable income is: | The tax is: |
| Less than $31,550 | 5.8% of the Maine taxable income |
| At least $31,550 but less than $75,000 | $1,830 plus 6.75% of the excess over $31,550 |
| $75,000 or more | $4,763 plus 7.15% of the excess over $75,000 |

**Sec.** **4. 36 MRSA §5111, sub-§2-G** is enacted to read:

**2-G.** **Heads of households; tax years beginning 2023.**  For tax years beginning on or after January 1, 2023, for unmarried individuals or legally separated individuals who qualify as heads of households:

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| If Maine taxable income is: | The tax is: |
| Less than $34,500 | 5.8% of the Maine taxable income |
| At least $34,500 but less than $81,700 | $2,001 plus 6.75% of the excess over $34,500 |
| At least $81,700 but less than $150,000  $150,000 or more | $5,187 plus 7.15% of the excess over $81,700  $10,061 plus 11.15% of the excess over $150,000 |

**Sec.** **5. 36 MRSA §5111, sub-§3-F,** as enacted by PL 2015, c. 267, Pt. DD, §7, is amended to read:

**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 not later than December 31, 2022, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

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| If Maine taxable income is: | The tax is: |
| Less than $42,100 | 5.8% of the Maine taxable income |
| At least $42,100 but less than $100,000 | $2,442 plus 6.75% of the excess over $42,100 |
| $100,000 or more | $6,350 plus 7.15% of the excess over $100,000 |

**Sec.** **6. 36 MRSA §5111, sub-§3-G** is enacted to read:

**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:

|  |  |
| --- | --- |
| If Maine taxable income is: | The tax is: |
| Less than $46,000 | 5.8% of the Maine taxable income |
| At least $46,000 but less than $108,000 | $2,668 plus 6.75% of the excess over $46,000 |
| At least $108,000 but less than $250,000  $250,000 or more | $6,853 plus 7.15% of the excess over $108,000  $17,006 plus 11.15% of the excess over $250,000 |

**SUMMARY**

This bill establishes an additional income tax bracket with a tax rate of 11.15% for taxable income exceeding $125,000 for single individuals and married persons filing separately, $150,000 for heads of households and $250,000 for married persons filing jointly and surviving spouses.