

Date: (Filing No. H-)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT " " to H.P. 1069, L.D. 1671, "An Act to Reduce the Income Tax to 4.5 Percent on the Lowest Tax Bracket and Remove Low-income Families from Taxation"

Amend the bill by striking out all of section 2 and inserting the following:

'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:

Table with 2 columns: 'If Maine taxable income is:' and 'The tax is:'. Rows include income brackets like 'Less than \$24,500' and corresponding tax rates like '4.5% of the Maine taxable income'.

Amend the bill by striking out all of section 4 and inserting the following:

'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:

Table with 2 columns: 'If Maine taxable income is:' and 'The tax is:'. Rows include income brackets like 'Less than \$36,750' and corresponding tax rates like '4.5% of the Maine taxable income'.

COMMITTEE AMENDMENT

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Amend the bill by striking out all of section 6 and inserting the following:

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:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$49,050</u>	<u>4.5% of the Maine taxable income</u>
<u>At least \$49,050 but less than \$116,100</u>	<u>\$2,207 plus 6.75% of the excess over \$49,050</u>
<u>\$116,100 or more</u>	<u>\$6,733 plus 7.15% of the excess over \$116,100</u>

Amend the bill by inserting after section 6 the following:

Sec. 7. 36 MRSA §5403, sub-§1, as enacted by PL 2015, c. 267, Pt. DD, §33, is repealed and the following enacted in its place:

1. Individual income tax rate tables. Beginning in 2023 and each year thereafter, by the dollar amounts of the tax rate tables specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2022;

Sec. 8. Appropriations and allocations. The following appropriations and allocations are made.

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

Initiative: Provides one-time funding for administrative costs associated with changes to the individual income tax rate.

GENERAL FUND	2023-24	2024-25
All Other	\$134,000	\$0
GENERAL FUND TOTAL	<u>\$134,000</u>	<u>\$0</u>

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

This amendment corrects some amounts in the bill and adjusts amounts calculated for inflation adjustments to reflect the changes in the bill. The amendment adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)