

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Date: (Filing No. S-)

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 524, L.D. 1294, “An Act to Expand the Dependent Exemption Tax Credit”

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §5219-SS, sub-§4, as amended by PL 2023, c. 412, Pt. ZZZ, §6, is further amended to read:

4. Refundability; phase-out. For tax years beginning before January 1, 2024, the credit allowed by this section may not reduce the tax otherwise due under this Part to less than zero. For tax years beginning on or after January 1, 2024, the credit allowed under subsections 1, 1-A, 3 and 3-A, as increased by subsection 5 for tax years beginning on or after January 1, 2025, is refundable. ~~The amount of the credit allowed by this section must be reduced, but not below zero, by \$7.50 for each \$1,000 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds \$400,000 in the case of a joint return and \$200,000 in any other case.~~

For tax years beginning before January 1, 2025, the amount of the credit allowed by this section must be reduced, but not below zero, by \$7.50 for each \$1,000 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds \$400,000 in the case of a joint return and \$200,000 in any other case.

For tax years beginning on or after January 1, 2025, the amount of the credit allowed by this section, as increased by subsection 5, must be reduced, but not below zero, by \$20 for each \$500 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds:

- A. For a single individual, \$125,000;
- B. For an individual filing as a head of household, \$150,000;
- C. For individuals filing married joint returns or surviving spouses, \$175,000; and
- D. For a married individual filing a separate return, 1/2 of the applicable amount under paragraph C.

COMMITTEE AMENDMENT

1 **Sec. 2. 36 MRSA §5219-SS, sub-§5** is enacted to read:

2 **5. Increased credit for qualifying children and dependents under 6 years of age.**
3 For tax years beginning on or after January 1, 2025, the credit amount allowed in
4 subsections 1, 1-A, 2, 2-A, 3 and 3-A for each qualifying child and dependent who has not
5 attained 6 years of age before the end of the taxable year is multiplied by 2.

6 **Sec. 3. 36 MRSA §5403, sub-§8**, as amended by PL 2023, c. 412, Pt. ZZZ, §9, is
7 further amended to read:

8 **8. Personal exemption phase-out.** Beginning in 2018 and each year thereafter, by
9 the dollar amount of the applicable amounts specified in section 5126-A, subsection 2,
10 paragraphs A, B and C, except that for the purposes of this subsection, notwithstanding
11 section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer
12 Price Index for the 12-month period ending June 30th of the preceding calendar year
13 divided by the Chained Consumer Price Index for the 12-month period ending June 30,
14 2017; ~~and~~

15 **Sec. 4. 36 MRSA §5403, sub-§9**, as enacted by PL 2023, c. 412, Pt. ZZZ, §10, is
16 amended to read:

17 **9. Dependent exemption tax credit amount.** Beginning in 2024 and each year
18 thereafter, by the dollar amount of the dependent exemption tax credit under section
19 5219-SS, except that for the purposes of this subsection, notwithstanding section 5402,
20 subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for
21 the 12-month period ending June 30th of the preceding calendar year divided by the
22 Chained Consumer Price Index for the 12-month period ending June 30, 2023. If the credit
23 amount, adjusted by application of the cost-of-living adjustment, is not a multiple of \$5,
24 any increase must be rounded to the next lowest multiple of \$5; ~~and~~

25 **Sec. 5. 36 MRSA §5403, sub-§10** is enacted to read:

26 **10. Dependent exemption phase-out.** Beginning in 2025 and each year thereafter,
27 by the dollar amount of the applicable amounts specified in section 5219-SS, subsection 4,
28 paragraphs A, B and C, except that for the purposes of this subsection, notwithstanding
29 section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer
30 Price Index for the 12-month period ending June 30th of the preceding calendar year
31 divided by the Chained Consumer Price Index for the 12-month period ending June 30,
32 2024.

33 **Sec. 6. Appropriations and allocations.** The following appropriations and
34 allocations are made.

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

37 Initiative: Provides one-time funding for computer programming costs.

38 GENERAL FUND	2025-26	2026-27
39 All Other	\$31,800	\$0
40		
41 GENERAL FUND TOTAL	\$31,800	\$0

42 '

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

3 **SUMMARY**

4 This amendment replaces the bill. The amendment doubles the dependent exemption
5 tax credit for a child or dependent who has not attained 6 years of age by the end of the tax
6 year and phases out the refundability of the tax credit based on income.

7 The amendment also adds an appropriations and allocations section.

8 **FISCAL NOTE REQUIRED**

9 **(See attached)**