



130th MAINE LEGISLATURE

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Legislative Document

No. 1677

H.P. 1248

House of Representatives, May 5, 2021

**An Act To Support Frontline Workers by Adding a Temporary Tax
Bracket Affecting High Earners**

Received by the Clerk of the House on May 3, 2021. Referred to the Committee on
Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in black ink that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Speaker FECTEAU of Biddeford.

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

2 **Sec. 1. 36 MRSA §5111, sub-§7** is enacted to read:

3 **7. Temporary income tax surcharge for fund for frontline workers.** For tax years
4 beginning on or after January 1, 2021 and ending before January 1, 2023, in addition to any
5 other tax imposed by this chapter, an income tax surcharge at the rate of 3% is imposed
6 pursuant to this subsection.

7 A. As used in this subsection, unless the context otherwise indicates, the following
8 terms have the following meanings.

9 (1) "Fund" means the Fund To Support Frontline Workers established in paragraph
10 C.

11 (2) "Surcharge" means the income tax surcharge of 3% imposed pursuant to this
12 subsection.

13 (3) "Tax year" means the tax year beginning on or after January 1, 2021 and ending
14 on or before December 31, 2021 and the tax year beginning on or after January 1,
15 2022 and ending on or before December 31, 2022.

16 B. The surcharge is imposed on the following persons in the following amounts.

17 (1) For single individuals and married persons filing separate returns, the
18 surcharge is imposed on Maine adjusted gross income in excess of \$200,000 for
19 each tax year.

20 (2) For unmarried individuals or legally separated individuals who qualify as heads
21 of households, the surcharge is imposed on Maine adjusted gross income in excess
22 of \$350,000 for each tax year.

23 (3) For individuals filing married joint returns or surviving spouses permitted to
24 file a joint return, the surcharge is imposed on Maine adjusted gross income in
25 excess of \$500,000 for each tax year.

26 C. The Fund To Support Frontline Workers is established as a dedicated nonlapsing
27 account to be administered by the Treasurer of State. The purpose of the fund is to
28 provide a source of grants to frontline workers in accordance with the Frontline Worker
29 Support Program established by the Department of Labor.

30 D. The assessor shall determine the revenue generated annually by the surcharge
31 imposed pursuant to this subsection and provide that information to the Treasurer of
32 State no later than June 1st following the end of each tax year. The Treasurer of State
33 shall transfer the amount of revenue as determined by the assessor into the fund and
34 provide notice of that amount to the Department of Labor.

35 **Sec. 2. Frontline Worker Support Program.** The Department of Labor shall
36 establish the Frontline Worker Support Program pursuant to this section to provide grants
37 to certain frontline workers.

38 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
39 following terms have the following meanings.

40 A. "Department" means the Department of Labor.

1 B. "Frontline worker" means a person who, during calendar year 2020 or 2021,
2 conducts an operation, service or function that is essential to ensuring the continuity of
3 critical functions, including, without limitation, a health care worker, firefighter, law
4 enforcement officer, corrections officer, food and agricultural worker, United States
5 Postal Service worker, manufacturing worker, grocery store worker, public transit
6 worker and person who works in the educational sector, such as a teacher, support staff
7 or a child care worker.

8 C. "Fund" means the Fund To Support Frontline Workers established in the Maine
9 Revised Statutes, Title 36, section 5111, subsection 7.

10 D. "Program" means the Frontline Worker Support Program established by the
11 department pursuant to this section.

12 **2. Implementation of program.** The department shall establish the following for the
13 grants to frontline workers under the program:

14 A. Eligibility criteria, which must include, at a minimum, occupation, income and
15 residency criteria;

16 B. The application process;

17 C. Verification procedures;

18 D. The amount of grants, which may be on a sliding scale and must be based on the
19 amount of revenue generated by the income tax surcharge imposed pursuant to the
20 Maine Revised Statutes, Title 36, section 5111, subsection 7, as reported to the
21 department by the Treasurer of State; and

22 E. The timing and method of disbursement of grants to eligible frontline workers,
23 including limiting the grants for each year to persons who were frontline workers
24 during the 2020 calendar year for grants issued in 2021 and during the 2021 calendar
25 year for grants issued in 2022.

26 **3. Disbursement of grants; outreach.** The Treasurer of State, based on the amount
27 available in the fund, shall disburse grants to eligible frontline workers based on the
28 eligibility criteria established by the department. The Treasurer of State shall develop and
29 implement an outreach program to notify frontline workers of the availability of the
30 program.

31 **4. Rules.** The department may adopt routine technical rules, as defined in the Maine
32 Revised Statutes, Title 5, chapter 375, subchapter 2-A, to implement the program.

33 **5. Report.** The department shall report as required by this subsection.

34 A. The department shall submit a report to the Joint Standing Committee on Labor and
35 Housing by December 1, 2021 regarding the progress made in implementing the
36 program, including the eligibility criteria.

37 B. Annually, beginning January 15, 2023 and ending when the program terminates,
38 the department shall report to the joint standing committee of the Legislature having
39 jurisdiction over labor matters:

40 (1) The amount deposited into the fund the prior calendar year;

41 (2) The number of applications for a grant received;

- 1 (3) The number and average dollar amount of grants disbursed;
- 2 (4) Demographics regarding the recipients of the grants; and
- 3 (5) The balance remaining in the fund.

4 C. No later than 60 days after the termination of the program pursuant to subsection 6,
5 the department shall submit a final report that includes the annual information required
6 pursuant to paragraph B as well as aggregate data for the duration of the program.

7 **6. Termination of program.** The program terminates when the funds in the fund are
8 exhausted.

9 **SUMMARY**

10 This bill requires the Department of Labor to create the Frontline Worker Support
11 Program to provide grants to frontline workers, who are those workers who conduct an
12 operation, service or function that is essential to ensuring the continuity of critical
13 functions, including, without limitation, health care workers, firefighters, law enforcement
14 officers, corrections officers, food and agricultural workers, United States Postal Service
15 workers, manufacturing workers, grocery store workers, public transit workers and persons
16 who work in the educational sector, such as teachers, support staff or child care workers.
17 The grants, disbursed by the Treasurer of State based on the eligibility criteria developed
18 by the Department of Labor, are funded by a temporary, 2-year surcharge of 3% on annual
19 Maine adjusted gross income in excess of \$200,000 for single filers, \$350,000 for heads of
20 households and \$500,000 for joint filers.