



130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document

No. 1764

H.P. 1315

House of Representatives, December 2, 2021

**An Act To Make a Technical Correction Concerning Maine's
Earned Income Tax Credit**

(EMERGENCY)

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 203.

Received by the Clerk of the House on November 30, 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 cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative TERRY of Gorham.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the State's earned income tax credit law needs to be corrected before the
4 90-day period expires to avoid a delay in the processing of income tax returns for 2021;
5 and

6 **Whereas,** legislative action is immediately necessary to ensure correct administration
7 of the State's earned income tax credit; and

8 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
9 the meaning of the Constitution of Maine and require the following legislation as
10 immediately necessary for the preservation of the public peace, health and safety; now,
11 therefore,

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

13 **Sec. 1. 36 MRSA §5219-S, sub-§2,** as amended by PL 2021, c. 398, Pt. H, §4, is
14 further amended to read:

15 **2. Nonresident taxpayer.** A nonresident individual who is an eligible individual is
16 allowed a credit against the tax otherwise due under this Part in the amount of 25%, ~~or for~~
17 ~~taxable years beginning after December 31, 2020 and before January 1, 2022, 20%,~~ of the
18 federal earned income credit for the same taxable year for a nonresident eligible individual
19 who does not have a qualifying child and 12% of the federal earned income credit for the
20 same taxable year for all other nonresident eligible individuals, except that, for taxable
21 years beginning after December 31, 2020 and before January 1, 2022, all nonresident
22 eligible individuals are allowed a credit in the amount of 20% of the federal earned income
23 credit for the same taxable year, multiplied by the ratio of the individual's Maine adjusted
24 gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's
25 entire federal adjusted gross income, as modified by section 5122.

26 **Sec. 2. 36 MRSA §5219-S, sub-§3,** as amended by PL 2021, c. 398, Pt. H, §5, is
27 further amended to read:

28 **3. Part-year resident taxpayer.** An eligible individual who files a return as a part-
29 year resident in accordance with section 5224-A is allowed a credit against the tax
30 otherwise due under this Part in the amount of 25%, ~~or for taxable years beginning after~~
31 ~~December 31, 2020 and before January 1, 2022, 20%,~~ of the federal earned income credit
32 for the same taxable year for an eligible part-year individual who does not have a qualifying
33 child and 12% of the federal earned income credit for the same taxable year for all other
34 eligible part-year individuals, except that, for taxable years beginning after December 31,
35 2020 and before January 1, 2022, all eligible part-year individuals are allowed a credit in
36 the amount of 20% of the federal earned income credit for the same taxable year, multiplied
37 by a ratio, the numerator of which is the individual's Maine adjusted gross income as
38 defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year
39 during which the individual was a resident plus the individual's Maine adjusted gross
40 income as defined in section 5102, subsection 1-C, paragraph B for that portion of the
41 taxable year during which the individual was a nonresident and the denominator of which
42 is the individual's entire federal adjusted gross income, as modified by section 5122.

