

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
H.P. 1315 - L.D. 1764

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

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

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

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

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

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

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

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

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

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

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.