

JOINT STANDING COMMITTEE ON TAXATION

BILLS RELATING TO INDIVIDUAL INCOME TAX RATES AND BRACKETS

jsj 5/17/21

CURRENT LAW				\$0-\$21,050 5.8%	2020		
				\$21,050 -\$50,000 6.75%			
				\$50,000 and over 7.15%			
LD	PH/WS	Title	Sponsor	Rates and brackets (single)¹	Start Year	Revenue Impact First year of change Rates and Brackets only Preliminary estimates subject to change	Other
495	3/16 3/23	An Act To Improve Income Tax Progressivity by Establishing New Top Individual Income Tax Rates	Osher	0-\$21,050 5.8% \$21,050-\$50,000 6.75% \$50,000 to \$100,000 8.35% \$100,000 and over 11.15%	2021	\$359.5 million	
532	3/16 3/23	An Act To Lower Income Taxes for Middle-income Families	Baldacci	\$0-\$21,050 5.8% \$21,050 -\$50,000 6.75% \$50,000-\$200,000 7.15% \$200,000 7.95%	2022	-\$161.9 million	Credit equal to 10% of taxes due for filers with taxable income less than Single \$60,000 HoH \$90,000 MJ \$120,000
1136	5/6 5/11	An Act To Promote Fairness in Income Tax Rates by Making Them More Progressive	Harnett	\$0-\$21,850 5.8% \$21,850 -\$51,700 6.75% \$51,700 -\$100,000 7.15% \$100,000 and over 10.15%	2021	\$232.6 million	
1289	5/6 5/11	An Act To Cut Property Taxes for Maine Residential Homeowners	Perry	\$0-\$21,050 5.8% \$21,050 -\$50,000 6.75% \$50,000-300,000 7.15% \$300,000 and over 7.95%	2022	\$30.8 million	Increases homestead property tax exemption from \$25,000 to: 4/1/22 \$35,000 4/1/23 \$45,000 4/1/24 \$55,000
1369	5/6 5/11	An Act To Provide Stimulus for Economic Recovery by Enacting a 5% Flat Tax	Andrews	All taxable income of individuals taxed at 5%.	2021	-\$485.3 million	

¹ Multiply single bracket income amounts by 1.5 for heads of households and by 2 for married joint filers.

Bracket amounts subject to indexing. Amounts shown on this chart are the amounts printed in the statutes or the relevant bill.

LD	PH/WS	Title	Sponsor	Rates and brackets (single)²	Start Year	Revenue Impact	Other
1443	5/6 5/11	An Act Regarding Higher Income Tax Levels	Collings	\$0-\$21,850 5.8% \$21,850 -\$51,700 6.75% \$51,700 -\$100,000 7.15% \$100,000- \$250,000 9.15% \$250,000-\$500,000 10.15% \$500,000-\$1,000,000 11.15% \$1,000,000-\$10,000,000 12.15% \$10,000,000 and over 13.15%	2021	\$243.7 million	
1500	5/6 5/11	An Act To Bring Equity to Maine's Tax Law by Adjusting Certain Income Tax Rates	Lookner	\$0-\$21,850 5.8% \$21,850 -\$51,700 6.75% \$51,700 -\$200,000 8.75%% \$200,000 and over 12.4%	2021	\$364.8 million	

² Multiply single bracket income amounts by 1.5 for heads of households and by 2 for married joint filers.

Bracket amounts subject to indexing. Amounts shown on this chart are the amounts printed in the statutes or the relevant bill.

INCOME TAX SURCHARGE BILLS

LD	PH/WS	Title	Sponsor	Surcharge	Start Year	Revenue Impact	Other
498	3/9 3/18	An Act To Reauthorize a 3% Tax on Income over \$200,000 To Lift All Maine Workers out of Poverty	Sylvester	3% IT surcharge on portion of “taxpayer’s” taxable income over \$200,000. Threshold applies regardless of filing status (S, HOH or MJ).	2022	\$209.9 million	Increases earned income tax credit from current 25 % of the federal credit and 12% of the federal credit with an eligible child to 100% of the federal credit for all.
570	2/22 3/23	An Act To Provide for Fairness in the Taxation of Extraordinary and Unearned Income by Establishing a 3 Percent Surcharge on Net Capital Gains and Dividends Income over \$250,000 for Taxpayers Filing Single or Married Separate Returns and Over \$500,000 for Taxpayers Filing Joint Returns	Berry	3% <u>income tax surcharge</u> on the portion of a taxpayer's taxable income that exceeds the <u>lesser of</u> : 1. the taxpayer's <u>taxable income from net capital gains and dividends</u> and 2. the amount by which the <u>taxpayer's taxable income exceeds</u> A. \$250,000 (single) B. <u>\$375,000</u> (HoH) or C. <u>\$500,000</u> (MJ)	2021	\$60.4 million	
1677	5/13	An Act To Support Frontline Workers by Adding a Temporary Tax Bracket Affecting High Earners	Fecteau, R	3% IT surcharge on individuals on portion of MAGI exceeding: Single \$200,000 HoH \$350,000 MJ \$500,000 Limited to tax years beginning in 2021 and 2022	2021 and 2022 only	Not provided	Establishes “Fund To Support Frontline Workers” to use surcharge revenue to provide grants to “certain frontline workers.” DoL to create and administer grant program. Grants limited to 2021 and 2022.

GOLD AND SILVER BILLS

LD	PH	Title	Sponsor	Summary	Effective date	Revenue Impact	
1277	5/5	An Act to Remove Sales and Use Taxation on Monetary Metals	Fecteau, J	<p>This bill provides a <u>ST exemption</u> for the <u>sale of specie</u>, defined as</p> <ol style="list-style-type: none"> 1. <u>coins with gold or silver content</u> or 2. <u>refined gold or silver bullion coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not its form.</u> <p>Covers the same items as LD 1371.</p>	1/1/22	Admin cost minimal. Revenue impact not provided.	
1371	5/5	An Act To Exempt Gold and Silver Transactions from State Sales and Use Tax	Cebra	<p>This bill <u>provides a ST exemption</u> for the <u>sale of</u>:</p> <ol style="list-style-type: none"> 1. <u>coins with gold or silver content</u> or 2. <u>refined gold or silver bullion coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not its form.</u> <p><u>Covers same items as LD 1277.</u></p>	1/1/22	Admin cost minimal. Revenue impact not provided.	