

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## An Act To Establish Tax Fairness

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

**Sec. 1. 36 MRSA §5111, sub-§1-C**, as enacted by PL 2011, c. 380, Pt. N, §2 and affected by §19, is amended to read:

**1-C. Single individuals and married persons filing separate returns; tax year 2013.**

For the tax yearsyear beginning on or after January 1, 2013 and before January 1, 2014, for single individuals and married persons filing separate returns:

If Maine Taxable income is:	The tax is:
At least \$5,000 but less than \$19,950	6.5% of the excess over \$5,000
\$19,950 or more	\$972 plus 7.95% of the excess over \$19,950

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

**1-D. Single individuals and married persons filing separate returns; tax years beginning 2014.** For tax years beginning on or after January 1, 2014, for single individuals and married persons filing separate returns:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$5,000 but less than \$19,950</u>	<u>6.5% of the excess over \$5,000</u>
<u>At least \$19,950 but less than \$100,000</u>	<u>\$972 plus 7.95% of the excess over \$19,950</u>
<u>\$100,000 or more</u>	<u>\$7,336 plus 8.5% of the excess over \$100,000</u>

**Sec. 3. 36 MRSA §5111, sub-§2-C**, as enacted by PL 2011, c. 380, Pt. N, §4 and affected by §19, is amended to read:

**2-C. Heads of households; tax year 2013.** For the tax yearsyear beginning on or after January 1, 2013 and before January 1, 2014, for unmarried individuals or legally separated individuals who qualify as heads of households:

If Maine Taxable income is:	The tax is:
At least \$7,500 but less than \$29,900	6.5% of the excess over \$7,500
\$29,900 or more	\$1,456 plus 7.95% of the excess over \$29,900

**Sec. 4. 36 MRSA §5111, sub-§2-D** is enacted to read:

**2-D. Heads of households; tax years beginning 2014.** For tax years beginning on or after January 1, 2014, for unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$7,500 but less than \$29,900</u>	<u>6.5% of the excess over \$7,500</u>
<u>At least \$29,900 but less than \$110,000</u>	<u>\$1,456 plus 7.95% of the excess over \$29,900</u>
<u>\$110,000 or more</u>	<u>\$7,824 plus 8.5% of the excess over \$110,000</u>

**Sec. 5. 36 MRSA §5111, sub-§3-C**, as enacted by PL 2011, c. 380, Pt. N, §6 and affected by §19, is amended to read:

**3-C. Individuals filing married joint return or surviving spouses; tax year 2013.** For the tax years year beginning on or after January 1, 2013 and before January 1, 2014, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$10,000 but less than \$39,900</u>	<u>6.5% of the excess over \$10,000</u>
<u>\$39,900 or more</u>	<u>\$1,944 plus 7.95% of the excess over \$39,900</u>

**Sec. 6. 36 MRSA §5111, sub-§3-D** is enacted to read:

**3-D. Individuals filing married joint return or surviving spouses; tax years beginning 2014.** For tax years beginning on or after January 1, 2014, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$10,000 but less than \$39,900</u>	<u>6.5% of the excess over \$10,000</u>
<u>At least \$39,900 but less than \$120,000</u>	<u>\$1,944 plus 7.95% of the excess over \$39,900</u>
<u>\$120,000 or more</u>	<u>\$8,312 plus 8.5% of the excess over \$120,000</u>

## SUMMARY

This bill creates a new top income tax rate of 8.5%. The new rate is imposed on taxable income over \$100,000 for single individuals and married persons filing separately, on income over \$110,000 for taxpayers filing as heads of households and on income over \$120,000 for individuals filing married joint returns or surviving spouses.