

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 Maintain the Income Tax Rate on Persons with Taxable Income above \$200,000

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

Sec. 1. 36 MRSA §5111, sub-§1-F, as enacted by PL 2015, c. 267, Pt. DD, §3, is amended to read:

1-F. Single individuals and married persons filing separate returns; tax years beginning 2017. For tax years beginning on or after January 1, 2017, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
Less than \$21,050	5.8% of the Maine taxable income
At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over \$21,050
<u>At least \$50,000 or more but less than \$200,000</u>	<u>\$3,175 plus 7.15% of the excess over \$50,000</u>
<u>\$200,000 or more</u>	<u>\$13,900 plus 4.15% of the excess over \$200,000</u>

Sec. 2. 36 MRSA §5111, sub-§2-F, as enacted by PL 2015, c. 267, Pt. DD, §5, is amended to read:

2-F. Heads of households; tax years beginning 2017. For tax years beginning on or after January 1, 2017, for unmarried individuals or legally separated individuals who qualify as heads of households:

If Maine taxable income is:	The tax is:
Less than \$31,550	5.8% of the Maine taxable income
At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over \$31,550
<u>At least \$75,000 or more but less than \$200,000</u>	<u>\$4,763 plus 7.15% of the excess over \$75,000</u>
<u>\$200,000 or more</u>	<u>\$13,701 plus 4.15% of the excess over \$200,000</u>

Sec. 3. 36 MRSA §5111, sub-§3-F, as enacted by PL 2015, c. 267, Pt. DD, §7, is amended to read:

3-F. Individuals filing married joint returns or surviving spouses; tax years beginning 2017. For tax years beginning on or after January 1, 2017, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
Less than \$42,100	5.8% of the Maine taxable income
At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over \$42,100

<u>At least \$100,000 or more but less than</u> <u>\$200,000</u>	\$6,350 plus 7.15% of the excess over \$100,000
<u>\$200,000 or more</u>	<u>\$13,500 plus 4.15% of the excess over \$200,000</u>

Sec. 4. Application. This Act applies to tax years beginning on or after January 1, 2017.

SUMMARY

This bill decreases the rate of tax imposed on the income of resident individuals on income in excess of \$200,000 from 7.15% to 4.15%.