



131st MAINE LEGISLATURE

LD 1231

LR 1161(02)

An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	(\$332,500)	(\$570,000)	(\$237,500)
Revenue				
General Fund	\$0	\$332,500	\$570,000	\$237,500
Other Special Revenue Funds	\$0	\$17,500	\$30,000	\$12,500

Fiscal Detail and Notes

This bill expands the income levels subject to current individual income tax brackets resulting in lower income tax revenue at current tax rates and adds new tax brackets at higher income levels to phase out the benefit of the income tax reduction from expanding the current brackets. The bill also imposes a higher tax rate on high income tax payers to offset the revenue loss from the expansion of the current brackets. The changes take effect for tax years beginning on or after January 1, 2025 and will increase General Fund revenue by \$332,500 and increase Local Government Fund by \$17,500 in fiscal year 2024-25.

Any additional costs to the Department of Administrative and Financial Services, Bureau of Revenue Services to implement the changes to the individual income tax are expected to be minor and can be absorbed within existing budgeted resources.