



131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 843

H.P. 532

House of Representatives, February 21, 2023

**An Act to Improve Income Tax Progressivity by Establishing a New
Top Individual Income Tax Rate**

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative OSHER of Orono.
Cosponsored by Representatives: ANKELES of Brunswick, EATON of Deer Isle, JAUCH of
Topsham, LOOKNER of Portland.

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

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

4 **1-F. Single individuals and married persons filing separate returns; tax years**
5 **beginning from 2017 to 2022.** For tax years beginning on or after January 1, 2017 but not
6 later than December 31, 2022, for single individuals and married persons filing separate
7 returns:

8 If Maine taxable income is:	The tax is:
9 Less than \$21,050	5.8% of the Maine taxable income
10 At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over
11	\$21,050
12 \$50,000 or more	\$3,175 plus 7.15% of the excess over
13	\$50,000

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

15 **1-G. Single individuals and married persons filing separate returns; tax years**
16 **beginning 2023.** For tax years beginning on or after January 1, 2023, for single individuals
17 and married persons filing separate returns:

18 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
19 <u>Less than \$23,000</u>	<u>5.8% of the Maine taxable income</u>
20 <u>At least \$23,000 but less than \$54,450</u>	<u>\$1,334 plus 6.75% of the excess over</u>
21	<u>\$23,000</u>
22 <u>At least \$54,450 but less than \$125,000</u>	<u>\$3,457 plus 7.15% of the excess over</u>
23	<u>\$54,450</u>
24 <u>\$125,000 or more</u>	<u>\$8,301 plus 11.15% of the excess over</u>
25	<u>\$125,000</u>

26 **Sec. 3. 36 MRSA §5111, sub-§2-F**, as enacted by PL 2015, c. 267, Pt. DD, §5, is
27 amended to read:

28 **2-F. Heads of households; tax years beginning from 2017 to 2022.** For tax years
29 beginning on or after January 1, 2017 but not later than December 31, 2022, for unmarried
30 individuals or legally separated individuals who qualify as heads of households:

31 If Maine taxable income is:	The tax is:
32 Less than \$31,550	5.8% of the Maine taxable income
33 At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over
34	\$31,550
35 \$75,000 or more	\$4,763 plus 7.15% of the excess over
36	\$75,000

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

38 **2-G. Heads of households; tax years beginning 2023.** For tax years beginning on or
39 after January 1, 2023, for unmarried individuals or legally separated individuals who
40 qualify as heads of households:

41 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
42 <u>Less than \$34,500</u>	<u>5.8% of the Maine taxable income</u>

1	<u>At least \$34,500 but less than \$81,700</u>	<u>\$2,001 plus 6.75% of the excess over</u>
2		<u>\$34,500</u>
3	<u>At least \$81,700 but less than \$150,000</u>	<u>\$5,187 plus 7.15% of the excess over</u>
4		<u>\$81,700</u>
5	<u>\$150,000 or more</u>	<u>\$10,061 plus 11.15% of the excess over</u>
6		<u>\$150,000</u>

8 **Sec. 5. 36 MRSA §5111, sub-§3-F**, as enacted by PL 2015, c. 267, Pt. DD, §7, is
9 amended to read:

10 **3-F. Individuals filing married joint returns or surviving spouses; tax years**
11 **beginning from 2017 to 2022.** For tax years beginning on or after January 1, 2017 but not
12 later than December 31, 2022, for individuals filing married joint returns or surviving
13 spouses permitted to file a joint return:

14	If Maine taxable income is:	The tax is:
15	Less than \$42,100	5.8% of the Maine taxable income
16	At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over
17		\$42,100
18	\$100,000 or more	\$6,350 plus 7.15% of the excess over
19		\$100,000

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

21 **3-G. Individuals filing married joint returns or surviving spouses; tax years**
22 **beginning 2023.** For tax years beginning on or after January 1, 2023, for individuals filing
23 married joint returns or surviving spouses permitted to file a joint return:

24	<u>If Maine taxable income is:</u>	<u>The tax is:</u>
25	<u>Less than \$46,000</u>	<u>5.8% of the Maine taxable income</u>
26	<u>At least \$46,000 but less than \$108,000</u>	<u>\$2,668 plus 6.75% of the excess over</u>
27		<u>\$46,000</u>
28	<u>At least \$108,000 but less than \$250,000</u>	<u>\$6,853 plus 7.15% of the excess over</u>
29		<u>\$108,000</u>
30	<u>\$250,000 or more</u>	<u>\$17,006 plus 11.15% of the excess over</u>
31		<u>\$250,000</u>

32
33

SUMMARY

34 This bill establishes an additional income tax bracket with a tax rate of 11.15% for
35 taxable income exceeding \$125,000 for single individuals and married persons filing
36 separately, \$150,000 for heads of households and \$250,000 for married persons filing
37 jointly and surviving spouses.