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H.P. 662

House of Representatives, March 17, 2015

**An Act To Strengthen the Benefits of the State Earned Income Tax
Credit for Childless Workers**

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative STUCKEY of Portland.
Cosponsored by Representatives: BATES of Westbrook, GILBERT of Jay, GOODE of
Bangor, HAMANN of South Portland, MOONEN of Portland, POWERS of Naples, TEPLER
of Topsham.

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

2 **Sec. 1. 36 MRSA §5219-S**, as amended by PL 2009, c. 213, Pt. BBBB, §16, is
3 further amended to read:

4 **§5219-S. Earned income credit**

5 **1. Resident taxpayer.** A resident individual is allowed a credit against the tax
6 otherwise due under this Part in the amount of 5% of the federal earned income credit for
7 the same taxable year, except that for tax years beginning ~~in 2009 and 2010, the~~
8 applicable percentage is 4% on or after January 1, 2015, the applicable percentage for an
9 individual with no qualifying child is 50%.

10 **2. Nonresident taxpayer.** A nonresident individual is allowed a credit against the
11 tax otherwise due under this Part in the amount of 5% of the federal earned income credit
12 for the same taxable year, except that for tax years beginning ~~in 2009 and 2010, the~~
13 applicable percentage is 4% on or after January 1, 2015, the applicable percentage for an
14 individual with no qualifying child is 50%, multiplied by the ratio of the individual's
15 Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to
16 the individual's entire federal adjusted gross income, as modified by section 5122.

17 **3. Part-year resident taxpayer.** An individual who files a return as a part-year
18 resident in accordance with section 5224-A is allowed a credit against the tax otherwise
19 due under this Part in the amount of 5% of the federal earned income credit for the same
20 taxable year, except that for tax years beginning ~~in 2009 and 2010, the applicable~~
21 percentage is 4% on or after January 1, 2015, the applicable percentage for an individual
22 with no qualifying child is 50%, multiplied by a ratio, the numerator of which is the
23 individual's Maine adjusted gross income as defined in section 5102, subsection 1-C,
24 paragraph A for that portion of the taxable year during which the individual was a
25 resident plus the individual's Maine adjusted gross income as defined in section 5102,
26 subsection 1-C, paragraph B for that portion of the taxable year during which the
27 individual was a nonresident and the denominator of which is the individual's entire
28 federal adjusted gross income, as modified by section 5122.

29 **4. Limitation.** The credit allowed by this section may not reduce the Maine income
30 tax to less than zero, except that for tax years beginning on or after January 1, 2015, the
31 credit for an individual with no qualifying child is refundable.

32 **SUMMARY**

33 This bill increases the state earned income tax credit for an individual with no
34 qualifying child from 5% to 50% of the federal credit and makes it refundable.