



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1276

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H.P. 889

House of Representatives, April 4, 2017

### **An Act To Change the Exemption Amount under the Estate Tax**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative BROOKS of Lewiston.  
Cosponsored by Representatives: HARLOW of Portland, McCREIGHT of Harpswell,  
TUCKER of Brunswick, Senator: CARPENTER of Aroostook.

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

2 **Sec. 1. 36 MRSA §4102, sub-§5**, as amended by PL 2015, c. 267, Pt. I, §1, is  
3 further amended to read:

4 **5. Maine exclusion amount.** For estates of decedents dying on or after January 1,  
5 2013, but before January 1, 2016, "Maine exclusion amount" means \$2,000,000. For  
6 estates of decedents dying on or after January 1, 2016, but before January 1, 2018,  
7 "Maine exclusion amount" means the basic exclusion amount determined for the calendar  
8 year in accordance with the Code, Section 2010(c)(3). For estates of decedents dying on  
9 or after January 1, 2018, "Maine exclusion amount" means \$1,000,000.

10 **Sec. 2. 36 MRSA §4103, sub-§1**, as amended by PL 2015, c. 267, Pt. I, §2, is  
11 further amended to read:

12 **1. Imposition of tax for decedents dying before 2018.** A tax is imposed on the  
13 transfer of the Maine taxable estate of every person who, at the time of death, was a  
14 resident of this State. The amount of tax for the estates of decedents who die before  
15 January 1, 2018 is determined as provided in this ~~section~~ subsection.

16 A. If the Maine taxable estate is less than or equal to the Maine exclusion amount,  
17 the tax is \$0.

18 B. If the Maine taxable estate is more than the Maine exclusion amount but no more  
19 than the Maine exclusion amount plus \$3,000,000, the tax is 8% of the excess over  
20 the Maine exclusion amount.

21 C. If the Maine taxable estate is more than the Maine exclusion amount plus  
22 \$3,000,000 but no more than the Maine exclusion amount plus \$6,000,000, the tax is  
23 \$240,000 plus 10% of the excess over the Maine exclusion amount plus \$3,000,000.

24 D. If the Maine taxable estate is more than the Maine exclusion amount plus  
25 \$6,000,000, the tax is \$540,000 plus 12% of the excess over the Maine exclusion  
26 amount plus \$6,000,000.

27 The amount of this tax is multiplied by a fraction, the numerator of which is the value of  
28 that portion of the decedent's adjusted federal gross estate that consists of real and  
29 tangible personal property located in this State plus the value of all intangible personal  
30 property and the denominator of which is the value of the decedent's adjusted federal  
31 gross estate.

32 **Sec. 3. 36 MRSA §4103, sub-§1-A** is enacted to read:

33 **1-A. Imposition of tax for decedents dying after 2017.** A tax is imposed on the  
34 transfer of the Maine taxable estate of every person who, at the time of death, was a  
35 resident of this State. The amount of tax for the estates of decedents who die on or after  
36 January 1, 2018 is determined as provided in this subsection.

37 A. If the Maine taxable estate is less than or equal to the Maine exclusion amount,  
38 the tax is \$0.

1 B. If the Maine taxable estate is more than the Maine exclusion amount but no more  
2 than the Maine exclusion amount plus \$5,000,000, the tax is 8% of the excess over  
3 the Maine exclusion amount.

4 C. If the Maine taxable estate is more than the Maine exclusion amount plus  
5 \$5,000,000 but no more than the Maine exclusion amount plus \$8,000,000, the tax is  
6 \$240,000 plus 10% of the excess over the Maine exclusion amount plus \$5,000,000.

7 D. If the Maine taxable estate is more than the Maine exclusion amount plus  
8 \$8,000,000, the tax is \$540,000 plus 12% of the excess over the Maine exclusion  
9 amount plus \$8,000,000.

10 The amount of this tax is multiplied by a fraction, the numerator of which is the value of  
11 that portion of the decedent's adjusted federal gross estate that consists of real and  
12 tangible personal property located in this State plus the value of all intangible personal  
13 property and the denominator of which is the value of the decedent's adjusted federal  
14 gross estate.

## 15 **SUMMARY**

16 Under Maine law, the amount of an estate exempt from Maine estate tax is defined as  
17 the same amount that is exempt under federal law, which is currently \$5,000,000.  
18 Amounts over the exclusion amount are taxed at 8%, 10% and 12% based on the amount  
19 of the estate.

20 This bill specifies that the amount of a Maine estate that is exempt from Maine estate  
21 tax is \$1,000,000 for estates of persons dying on or after January 1, 2018. The same tax  
22 rates as under the current law are maintained.