



132nd MAINE LEGISLATURE

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Legislative Document

No. 1682

H.P. 1117

House of Representatives, April 17, 2025

An Act to Increase Fairness in the Income Tax by Adding Higher Tax Brackets and Tax Rates

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative OSHER of Orono.
Cosponsored by Senator TIPPING of Penobscot and
Representatives: ANKELES of Brunswick, DEBRITO of Waterville, DHALAC of South
Portland, EATON of Deer Isle, GOLEK of Harpswell, LOOKNER of Portland, SKOLD of
Portland, Senator: TEPLER of Sagadahoc.

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 2024.** For tax years beginning on or after January 1, 2017 but
6 before January 1, 2025, for single individuals and married persons filing separate returns:

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

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

14 **1-G. Single individuals and married persons filing separate returns; tax years**
15 **beginning 2025.** For tax years beginning on or after January 1, 2025, for single individuals
16 and married persons filing separate returns:

17 If Maine taxable income is:	The tax is:
18 <u>Less than \$26,800</u>	<u>5.8% of the Maine taxable income</u>
19 <u>At least \$26,800 but less than \$63,450</u>	<u>\$1,554 plus 6.75% of the excess over</u>
20	<u>\$26,800</u>
21 <u>At least \$63,450 but less than \$100,000</u>	<u>\$4,028 plus 7.15% of the excess over</u>
22	<u>\$63,450</u>
23 <u>At least \$100,000 but less than \$200,000</u>	<u>\$6,641 plus 8.15% of the excess over</u>
24	<u>\$100,000</u>
25 <u>At least \$200,000 but less than \$300,000</u>	<u>\$14,791 plus 9.15% of the excess over</u>
26	<u>\$200,000</u>
27 <u>\$300,000 or more</u>	<u>\$23,941 plus 10.15% of the excess over</u>
28	<u>\$300,000</u>

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

31 **2-F. Heads of households; tax years beginning from 2017 to 2024.** For tax years
32 beginning on or after January 1, 2017 but before January 1, 2025, for unmarried individuals
33 or legally separated individuals who qualify as heads of households:

34 If Maine taxable income is:	The tax is:
35 Less than \$31,550	5.8% of the Maine taxable income
36 At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over
37	\$31,550
38 \$75,000 or more	\$4,763 plus 7.15% of the excess over
39	\$75,000

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

2-G. Heads of households; tax years beginning 2025. For tax years beginning on or after January 1, 2025, for unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$40,200</u>	<u>5.8% of the Maine taxable income</u>
<u>At least \$40,200 but less than \$95,150</u>	<u>\$2,332 plus 6.75% of the excess over \$40,200</u>
<u>At least \$95,150 but less than \$150,000</u>	<u>\$6,041 plus 7.15% of the excess over \$95,150</u>
<u>At least \$150,000 but less than \$300,000</u>	<u>\$9,963 plus 8.15% of the excess over \$150,000</u>
<u>At least \$300,000 but less than \$450,000</u>	<u>\$22,188 plus 9.15% of the excess over \$300,000</u>
<u>\$450,000 or more</u>	<u>\$35,913 plus 10.15% of the excess over \$450,000</u>

Sec. 5. 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 from 2017 to 2024. For tax years beginning on or after January 1, 2017 but before January 1, 2025, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$42,100</u>	<u>5.8% of the Maine taxable income</u>
<u>At least \$42,100 but less than \$100,000</u>	<u>\$2,442 plus 6.75% of the excess over \$42,100</u>
<u>\$100,000 or more</u>	<u>\$6,350 plus 7.15% of the excess over \$100,000</u>

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

3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2025. For tax years beginning on or after January 1, 2025, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$53,600</u>	<u>5.8% of the Maine taxable income</u>
<u>At least \$53,600 but less than \$126,900</u>	<u>\$3,109 plus 6.75% of the excess over \$53,600</u>
<u>At least \$126,900 but less than \$200,000</u>	<u>\$8,057 plus 7.15% of the excess over \$126,900</u>
<u>At least \$200,000 but less than \$400,000</u>	<u>\$13,284 plus 8.15% of the excess over \$200,000</u>
<u>At least \$400,000 but less than \$600,000</u>	<u>\$29,584 plus 9.15% of the excess over \$400,000</u>
<u>\$600,000 or more</u>	<u>\$47,884 plus 10.15% of the excess over \$600,000</u>

Sec. 7. 36 MRSA §5403, sub-§1, as enacted by PL 2015, c. 267, Pt. DD, §33, is repealed and the following enacted in its place:

1. Individual income tax rate tables. Beginning in 2026 and each year thereafter, by the dollar amounts of the tax rate tables specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2024;

SUMMARY

This bill, for tax years beginning in or after 2025:

1. Adjusts the existing tax brackets for single individuals and married persons filing separately, heads of household and individuals filing joint returns and surviving spouses;
2. Adds 3 new higher income tax brackets; and
3. Imposes 3 new rates of tax for those higher brackets of 8.15%, 9.15% and 10.15%.

As under current law, the income tax brackets are indexed to the Chained Consumer Price Index as published by the United States Department of Labor, Bureau of Labor Statistics.