

131st MAINE LEGISLATURE

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Legislative Document

No. 1866

H.P. 1196

House of Representatives, May 2, 2023

An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels

Reference to the Committee on Taxation suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative COLLINGS of Portland. Cosponsored by Representative: PERRY of Bangor.

1	Be it enacted by the People of the State o	f Maine as follows:	
2 3	Sec. 1. 36 MRSA §5111, sub-§1-F amended to read:	, as enacted by PL 2015, c. 267, Pt. DD, §3, is	
4 5 6	1-F. Single individuals and married persons filing separate returns; tax years beginning from 2017 to 2022. For tax years beginning on or after January 1, 2017 but before January 1, 2023, for single individuals and married persons filing separate returns:		
7 8 9 10 11 12	If Maine taxable income is: Less than \$21,050 At least \$21,050 but less than \$50,000 \$50,000 or more	The tax is: 5.8% of the Maine taxable income \$1,221 plus 6.75% of the excess over \$21,050 \$3,175 plus 7.15% of the excess over \$50,000	
13	Sec. 2. 36 MRSA §5111, sub-§1-G	is enacted to read:	
14 15 16		d persons filing separate returns; tax years n or after January 1, 2023, for single individuals	
17 18 19 20	If Maine taxable income is: Less than \$23,000 At least \$23,000 but less than \$54,450	The tax is: 4.5% of the Maine taxable income \$1,035 plus 6.75% of the excess over \$23,000	
21 22	At least \$54,450 but less than \$100,000	\$3,158 plus 7.15% of the excess over \$54,450	
23 24	At least \$100,000 but less than \$250,000	\$6,415 plus 7.15% of the excess over \$100,000	
25 26	At least \$250,000 but less than \$500,000	\$17,140 plus 8.75% of the excess over \$250,000	
27 28	<u>At least \$500,000 but less than \$1,000,000</u>	\$39,015 plus 8.75% of the excess over \$500,000	
29 30 31 32	<u>At least \$1,000,000 but less than</u> <u>\$10,000,000</u> <u>\$10,000,000 or more</u>	\$82,765 plus 8.75% of the excess over \$1,000,000 \$870,265 plus 8.75% of the excess over \$10,000,000	
33 34	Sec. 3. 36 MRSA §5111, sub-§2-F, as enacted by PL 2015, c. 267, Pt. DD, §5, is amended to read:		
35 36 37	2-F. Heads of households; tax years beginning <u>from</u> 2017 to 2022. For tax years beginning on or after January 1, 2017 <u>but before January 1, 2023</u> , for unmarried individuals or legally separated individuals who qualify as heads of households:		
38 39 40 41	If Maine taxable income is: Less than \$31,550 At least \$31,550 but less than \$75,000	The tax is: 5.8% of the Maine taxable income \$1,830 plus 6.75% of the excess over \$31,550	
42 43	\$75,000 or more	\$4,763 plus 7.15% of the excess over \$75,000	

1	Sec. 4. 36 MRSA §5111, sub-§2-0	G is enacted to read:	
2	2-G. Heads of households; tax years beginning 2023. For tax years beginning on or		
3	after January 1, 2023, for unmarried individuals or legally separated individuals who		
4	qualify as heads of households:		
5	If Maine taxable income is:	<u>The tax is:</u>	
6	Less than \$34,500	4.5% of the Maine taxable income	
7	At least \$34,500 but less than \$81,700	\$1,553 plus 6.75% of the excess over	
8		<u>\$34,500</u>	
9	<u>At least \$81,700 but less than \$150,000</u>	\$4,739 plus 7.15% of the excess over	
10		<u>\$81,700</u>	
11 12	<u>At least \$150,000 but less than \$375,000</u>	<u>\$9,622 plus 7.15% of the excess over</u> <u>\$150,000</u>	
13	At least \$375,000 but less than \$750,000	\$25,709 plus 8.75% of the excess over	
14		\$375,000	
15	At least \$750,000 but less than	\$58,522 plus 8.75% of the excess over	
16	<u>\$1,500,000</u>	<u>\$750,000</u>	
17	At least \$1,500,000 but less than	<u>\$124,147 plus 8.75% of the excess over</u>	
18	<u>\$15,000,000</u>	<u>\$1,500,000</u>	
19	<u>\$15,000,000 or more</u>	\$1,305,397 plus 8.75% of the excess over	
20		<u>\$15,000,000</u>	
21 22	Sec. 5. 36 MRSA §5111, sub-§3-F, as enacted by PL 2015, c. 267, Pt. DD, §7, is amended to read:		
23 24 25 26	beginning from 2017 to 2022. For tax y	int returns or surviving spouses; tax years ears beginning on or after January 1, 2017 <u>but</u> ling married joint returns or surviving spouses	
27	If Maine taxable income is:	The tax is:	
28	Less than \$42,100	5.8% of the Maine taxable income	
29	At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over	
30		\$42,100	
31	\$100,000 or more	\$6,350 plus 7.15% of the excess over	
32		\$100,000	
33	Sec. 6. 36 MRSA §5111, sub-§3-0	\mathbf{G} is enacted to read:	
34		int returns or surviving spouses; tax years	
35		on or after January 1, 2023, for individuals filing	
36	married joint returns or surviving spouses permitted to file a joint return:		
37	If Maine taxable income is:	The tax is:	
38	Less than \$46,000	4.5% of the Maine taxable income	
39	At least \$46,000 but less than \$108,900	\$2,070 plus 6.75% of the excess over \$46,000	
40	At least \$108,900 but less than \$200,000	\$6,316 plus 7.15% of the excess over	
41		<u>\$108,900</u>	
42	At least \$200,000 but less than \$500,000	\$12,829 plus 7.15% of the excess over	
43		<u>\$200,000</u>	

1 2 3 4 5 6 7 8	<u>At least \$500,000 but less than</u> <u>\$1,000,000</u> <u>At least \$1,000,000 but less than</u> <u>\$2,000,000</u> <u>At least \$2,000,000 but less than</u> <u>\$20,000,000</u> <u>\$20,000,000 or more</u>	\$34,279 plus 8.75% of the excess over \$500,000 \$78,029 plus 8.75% of the excess over \$1,000,000 \$165,529 plus 8.75% of the excess over \$2,000,000 \$1,740,529 plus 8.75% of the excess over \$20,000,000	
9	Sec. 7. 36 MRSA §5111, sub-§7 is enacted to read:		
10 11 12 13	7. Income tax surcharge. In addition to the tax established by this section as indexed for the taxable year, there is imposed a tax surcharge on the amount of state tax liability due for any tax year that begins in 2023 or after 2023. The Maine taxable income amount must be indexed in accordance with chapter 841. The surcharge is as follows.		
14	A. For single individuals and married persons filing separate returns:		
15 16 17 18	If Maine taxable income is: At least \$1,000,000 but less than	The surcharge tax is the following percentage of the tax otherwise imposed by this section: <u>3%</u>	
19 20	<u>\$10,000,000</u> \$10,000,000 or more	6%	
21 22	B. For unmarried individuals or legally separated individuals who qualify as heads of households:		
23 24 25 26 27 28	If Maine taxable income is: At least \$1,500,000 but less than \$15,000,000 \$15,000,000	The surcharge tax is the following percentage of the tax otherwise imposed by this section: <u>3%</u>	
29 30	\$15,000,000 or more6%C. For individuals filing married joint returns or surviving spouses permitted to file a joint return:		
31 32 33 34	If Maine taxable income is: At least \$2,000,000 but less than	The surcharge tax is the following percentage of the tax otherwise imposed by this section: <u>3%</u>	
35 36	<u>\$20,000,000</u> <u>\$20,000,000 or more</u>	<u>6%</u>	
37	SUI	MMARY	
38 39 40 41 42 43	This bill makes modifications to existing tax brackets. The bill also establishes 5 new tax brackets for income exceeding \$100,000 for persons filing as single individuals or married individuals filing separately, \$150,000 for individuals filing as heads of households and \$200,000 for individuals filing married joint returns or surviving spouses and imposes a 3% surcharge on incomes of at least \$1,000,000 and a 6% surcharge on incomes of \$10,000,000 or more.		