

Date:

(Filing No. H- )

## TAXATION

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### STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to H.P. 152, L.D. 229, “An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets and Tax Rates”

Amend the bill by striking out all of section 2 and inserting the following:

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

**1-G. Single individuals and married persons filing separate returns; tax years beginning 2026.** For tax years beginning on or after January 1, 2026, for single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$27,450</u>	<u>5.5% of the Maine taxable income</u>
<u>At least \$27,450 but less than \$64,950</u>	<u>\$1,510 plus 6.75% of the excess over \$27,450</u>
<u>At least \$64,950 but less than \$144,500</u>	<u>\$4,041 plus 7.15% of the excess over \$64,950</u>
<u>At least \$144,500 but less than \$500,000</u>	<u>\$9,729 plus 7.75% of the excess over \$144,500</u>
<u>\$500,000 or more</u>	<u>\$37,280 plus 8.95% of the excess over \$500,000</u>

Amend the bill by striking out all of section 4 and inserting the following:

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

**2-G. Heads of households; tax years beginning 2026.** For tax years beginning on or after January 1, 2026, 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 \$41,150</u>	<u>5.5% of the Maine taxable income</u>
<u>At least \$41,150 but less than \$97,450</u>	<u>\$2,263 plus 6.75% of the excess over \$41,150</u>

At least \$97,450 but less than \$216,750	<u>\$6,063 plus 7.15% of the excess over \$97,450</u>
At least \$216,750 but less than \$750,000	<u>\$14,593 plus 7.75% of the excess over \$216,750</u>
\$750,000 or more	<u>\$55,921 plus 8.95% of the excess over \$750,000</u>

Amend the bill by striking out all of section 6 and inserting the following:

**'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 2026.** For tax years beginning on or after January 1, 2026, 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 \$54,900</u>	<u>5.5% of the Maine taxable income</u>
<u>At least \$54,900 but less than \$129,900</u>	<u>\$3,020 plus 6.75% of the excess over \$54,900</u>
<u>At least \$129,900 but less than \$289,000</u>	<u>\$8,083 plus 7.15% of the excess over \$129,900</u>
<u>At least \$289,000 but less than \$1,000,000</u>	<u>\$19,459 plus 7.75% of the excess over \$289,000</u>
<u>\$1,000,000 or more</u>	<u>\$74,562 plus 8.95% of the excess over \$1,000,000</u>

Amend the bill in section 7 in subsection 1 in the first line (page 3, line 3 in L.D.) by striking out the following: "2025" and inserting the following: '2026'

Amend the bill in section 7 in subsection 1 in the last line (page 3, line 8 in L.D.) by striking out the following: "2024" and inserting the following: '2025'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

## SUMMARY

This amendment reduces to 5 the number of income tax brackets proposed in the bill for each filing status, adjusts the tax brackets and increases the rate of tax on the top 2 brackets to 7.75% and 8.95%, respectively. The amendment also adjusts the dates for indexing.

## FISCAL NOTE REQUIRED

(See attached)