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TAXATION

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

COMMITTEE AMENDMENT “ ” to H.P. 439, L.D. 671, “An Act to Abolish the Maine Income Tax and Establish a Zero-based Budget”

Amend the bill by striking out the title and substituting the following:

'An Act to Abolish the Maine Individual Income Tax and Establish a Zero-based Budget'

Amend the bill in Part A in section 1 in c. 843 in the 2nd line (page 1, line 5 in L.D.) by striking out the following: **"INCOME TAX ELIMINATION"** and inserting the following: **'INDIVIDUAL INCOME TAX ELIMINATION'**

Amend the bill in Part A in section 1 in c. 843 in §5501 in the first line (page 1, line 6 in L.D.) by inserting after the following: **"of"** the following: **'individual'**

Amend the bill in Part A in section 1 in c. 843 in §5501 in the first indented paragraph in the first line (page 1, line 7 in L.D.) by striking out the following: **"no tax may be"** and inserting the following: **'individual income tax may not be'**

Amend the bill in Part A in section 1 in c. 843 by inserting after §5501 the following:

'§5502. Individual income tax filing requirements

For tax years beginning on or after January 1, 2026, an individual taxpayer with no tax liability that requires the filing of a Maine income tax return is not required to file a return with the State.

'§5503. Individual income tax credits

For tax years beginning on or after January 1, 2026, tax credits may not be collected by individual taxpayers under this Part. Maine income tax credits made available to individual taxpayers under any other Part and collectible under this Part may not be claimed.'

Amend the bill in Part B by inserting after section 2 the following:

'Sec. B-3. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides one-time funding for computer programming required to accommodate changes to the individual income tax to disallow carry-forwards of overpayments to tax years after 2025, to enable the system to issue refunds of payments when there are no returns filed for tax years beginning after 2025 and to perform related systems testing.

GENERAL FUND	2025-26	2026-27
All Other	\$120,700	\$0
GENERAL FUND TOTAL	\$120,700	\$0

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

SUMMARY

This amendment updates the date on which the review and report of the Department of Administrative and Financial Services required by the bill on the provisions of the law that refer to Maine income tax are due. The amendment exempts taxpayers without reportable tax liability from filing a Maine income tax return and eliminates individual Maine income tax credits. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)