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Date: (Filing No. S-)

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STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT “ ” to COMMITTEE AMENDMENT “A” to H.P. 718,
L.D. 963, Bill, “An Act To Exempt Overtime Pay from Individual Income Tax”

Amend the amendment by inserting after the title the following:

'Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 36 MRSA §5111, sub-§7 is enacted to read:

7. Income tax surcharge for overtime compensation exclusion. An income tax surcharge to offset the revenue loss attributable to the exclusion from income tax of overtime compensation pursuant to section 5122, subsection 2, paragraph QQ, referred to in this subsection as "the surcharge," is established and administered as follows.

A. For tax years beginning on or after January 1, 2020, in addition to any other tax imposed by this chapter, a tax at the rate of 2.15% is imposed on that portion of the taxpayer's Maine taxable income in excess of \$1,450,000.

B. Notwithstanding Title 30-A, section 5681, subsection 5 or any other law to the contrary, 100% of the revenue from the surcharge must be used to offset the loss of revenue attributable to the exclusion provided pursuant to section 5122, subsection 2, paragraph QQ.'

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

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SUMMARY

This amendment imposes a surcharge in the amount of 2.15% on income above \$1,450,000, which is approximately the top .1% of income earners in Maine. The revenue from the surcharge must be used to offset the loss of revenue attributable to the exclusion of overtime pay from income tax provided for in the bill.

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