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TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 11, L.D. 7, “An Act to Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes”

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

'An Act to Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes and Change the Standard Deduction and References in the Dependent Exemption Tax Credit'

Amend the bill by inserting after section 1 the following:

'Sec. 2. 36 MRSA §5124-A, as amended by PL 2015, c. 267, Pt. DD, §13 and affected by §34, is repealed.

Sec. 3. 36 MRSA §5124-C, sub-§1-A, as enacted by PL 2019, c. 616, Pt. X, §3, is amended to read:

1-A. Amount; ~~on or after~~ before January 1, 2020 2026. For tax years beginning on or after January 1, 2020 and before January 1, 2026, the standard deduction of a resident individual is equal to the federal standard deduction, subject to the phase-out under subsection 2.

Sec. 4. 36 MRSA §5124-C, sub-§1-B is enacted to read:

1-B. Amount; on or after January 1, 2026. For tax years beginning on or after January 1, 2026, the standard deduction of a resident individual is equal to the sum of the basic standard deduction and the additional standard deduction, subject to the phase-out under subsection 2.

A. The basic standard deduction is:

(1) For single individuals and married persons filing separate returns, \$12,000;

(2) For individuals filing as heads of households, the amount allowed under subparagraph (1) multiplied by 1.5; and

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1 (3) For individuals filing married joint returns or surviving spouses, the amount
2 allowed under subparagraph (1) multiplied by 2.

3 B. The additional standard deduction is the amount allowed under the Code, Section
4 63(c)(3).

5 **Sec. 5. 36 MRSA §5219-SS**, as enacted by PL 2017, c. 474, Pt. B, §17, is amended
6 to read:

7 **§5219-SS. Dependent exemption tax credit**

8 **1. Resident taxpayer; tax years beginning before 2026.** A For tax years beginning
9 on or after January 1, 2018 and before January 1, 2026, a resident individual is allowed a
10 credit against the tax otherwise due under this Part equal to \$300 for each qualifying child
11 and dependent of the taxpayer for whom the federal child tax credit pursuant to the Code,
12 Section 24 was claimed for the same taxable year.

13 **1-A. Resident taxpayer; tax years beginning 2026 or after.** For tax years beginning
14 on or after January 1, 2026, a resident individual is allowed a credit against the tax
15 otherwise due under this Part equal to \$300 for each dependent of the taxpayer for whom
16 the federal personal exemption pursuant to the Code, Section 151 was claimed in an amount
17 greater than \$0 for the same taxable year.

18 **2. Nonresident taxpayer; tax years beginning before 2026.** A For tax years
19 beginning on or after January 1, 2018 and before January 1, 2026, a nonresident individual
20 is allowed a credit against the tax otherwise due under this Part equal to \$300 for each
21 qualifying child and dependent of the taxpayer for whom the federal child tax credit
22 pursuant to the Code, Section 24 was claimed for the same taxable year, multiplied by the
23 ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection
24 1-C, paragraph B, to the individual's entire federal adjusted gross income as modified by
25 section 5122.

26 **2-A. Nonresident taxpayer; tax years beginning 2026 or after.** For tax years
27 beginning on or after January 1, 2026, a nonresident individual is allowed a credit against
28 the tax otherwise due under this Part equal to \$300 for each dependent of the taxpayer for
29 whom the federal personal exemption pursuant to the Code, Section 151 was claimed in an
30 amount greater than \$0 for the same taxable year, multiplied by the ratio of the individual's
31 Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to
32 the individual's entire federal adjusted gross income as modified by section 5122.

33 **3. Part-year resident taxpayer; tax years beginning before 2026.** A~~n~~ For tax years
34 beginning on or after January 1, 2018 and before January 1, 2026, an individual who files
35 a return as a part-year resident in accordance with section 5224-A is allowed a credit against
36 the tax otherwise due under this Part equal to \$300 for each qualifying child and dependent
37 of the taxpayer for whom the federal child tax credit pursuant to the Code, Section 24 was
38 claimed for the same taxable year, multiplied by a fraction, the numerator of which is the
39 individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C,
40 paragraph A, for that portion of the taxable year during which the individual was a resident
41 plus the individual's Maine adjusted gross income, as defined in section 5102, subsection
42 1-C, paragraph B, for that portion of the taxable year during which the individual was a
43 nonresident and the denominator of which is the individual's entire federal adjusted gross
44 income as modified by section 5122.

1 opposed to current law, which provides for a reduction in the credit due to the expiration
2 of the referenced federal child tax credit provisions.

3

FISCAL NOTE REQUIRED

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(See attached)