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Legislative Document

No. 1443

H.P. 1059

House of Representatives, April 12, 2021

An Act Regarding Higher Income Tax Levels

Received by the Clerk of the House on April 8, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative COLLINGS of Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5111, sub-§1-F**, as enacted by PL 2015, c. 267, Pt. DD, §3, is
3 amended to read:

4 **1-F. Single individuals and married persons filing separate returns; tax years**
5 **beginning from 2017 to 2020.** For tax years beginning on or after January 1, 2017 but
6 before January 1, 2021, for single individuals and married persons filing separate returns:

7 If Maine taxable income is:	The tax is:
8 Less than \$21,050	5.8% of the Maine taxable income
9 At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over 10 \$21,050
11 \$50,000 or more	\$3,175 plus 7.15% of the excess over 12 \$50,000

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

14 **1-G. Single individuals and married persons filing separate returns; tax years**
15 **beginning 2021.** For tax years beginning on or after January 1, 2021, for single individuals
16 and married persons filing separate returns:

17 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
18 <u>Less than \$21,850</u>	<u>5.8% of the Maine taxable income</u>
19 <u>At least \$21,850 but less than \$51,700</u>	<u>\$1,267 plus 6.75% of the excess over</u> 20 <u>\$21,850</u>
21 <u>At least \$51,700 but less than \$100,000</u>	<u>\$3,282 plus 7.15% of the excess over</u> 22 <u>\$51,700</u>
23 <u>At least \$100,000 but less than \$250,000</u>	<u>\$6,736 plus 9.15% of the excess over</u> 24 <u>\$100,000</u>
25 <u>At least \$250,000 but less than \$500,000</u>	<u>\$20,461 plus 10.15% of the excess over</u> 26 <u>\$250,000</u>
27 <u>At least \$500,000 but less than \$1,000,000</u>	<u>\$45,836 plus 11.15% of the excess over</u> 28 <u>\$500,000</u>
29 <u>At least \$1,000,000 but less than</u> 30 <u>\$10,000,000</u>	<u>\$101,586 plus 12.15% of the excess over</u> 31 <u>\$1,000,000</u>
31 <u>\$10,000,000 or more</u>	<u>\$1,195,086 plus 13.15% of the excess over</u> 32 <u>\$10,000,000</u>

33 **Sec. 3. 36 MRSA §5111, sub-§2-F**, as enacted by PL 2015, c. 267, Pt. DD, §5, is
34 amended to read:

35 **2-F. Heads of households; tax years beginning from 2017 to 2020.** For tax years
36 beginning on or after January 1, 2017 but before January 1, 2021, for unmarried individuals
37 or legally separated individuals who qualify as heads of households:

38 If Maine taxable income is:	The tax is:
39 Less than \$31,550	5.8% of the Maine taxable income
40 At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over 41 \$31,550
42 \$75,000 or more	\$4,763 plus 7.15% of the excess over 43 \$75,000

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

2 **2-G. Heads of households; tax years beginning 2021.** For tax years beginning on or
3 after January 1, 2021, for unmarried individuals or legally separated individuals who
4 qualify as heads of households:

5 If Maine taxable income is:	6 The tax is:
7 <u>Less than \$32,750</u>	7 <u>5.8% of the Maine taxable income</u>
8 <u>At least \$32,750 but less than \$77,550</u>	8 <u>\$1,900 plus 6.75% of the excess over</u> 9 <u>\$32,750</u>
10 <u>At least \$77,550 but less than \$150,000</u>	10 <u>\$4,924 plus 7.15% of the excess over</u> 11 <u>\$77,550</u>
12 <u>At least \$150,000 but less than \$375,000</u>	12 <u>\$10,104 plus 9.15% of the excess over</u> 13 <u>\$150,000</u>
14 <u>At least \$375,000 but less than \$750,000</u>	14 <u>\$30,691 plus 10.15% of the excess over</u> 15 <u>\$375,000</u>
16 <u>At least \$750,000 but less than \$1,500,000</u>	16 <u>\$68,754 plus 11.15% of the excess over</u> 17 <u>\$750,000</u>
18 <u>At least \$1,500,000 but less than</u> 19 <u>\$15,000,000</u>	18 <u>\$152,379 plus 12.15% of the excess over</u> 19 <u>\$15,000,000</u>
20 <u>\$15,000,000 or more</u>	20 <u>\$1,792,629 plus 13.15% of the excess over</u> 21 <u>\$15,000,000</u>

21 **Sec. 5. 36 MRSA §5111, sub-§3-F**, as enacted by PL 2015, c. 267, Pt. DD, §7, is
22 amended to read:

23 **3-F. Individuals filing married joint returns or surviving spouses; tax years**
24 **beginning from 2017 to 2020.** For tax years beginning on or after January 1, 2017 but
25 before January 1, 2021, for individuals filing married joint returns or surviving spouses
26 permitted to file a joint return:

27 If Maine taxable income is:	27 The tax is:
28 Less than \$42,100	28 5.8% of the Maine taxable income
29 At least \$42,100 but less than \$100,000	29 \$2,442 plus 6.75% of the excess over
30	30 \$42,100
31 \$100,000 or more	31 \$6,350 plus 7.15% of the excess over
32	32 \$100,000

33 **Sec. 6. 36 MRSA §5111, sub-§3-G** is enacted to read:

34 **3-G. Individuals filing married joint returns or surviving spouses; tax years**
35 **beginning 2021.** For tax years beginning on or after January 1, 2021, for individuals filing
36 married joint returns or surviving spouses permitted to file a joint return:

37 If Maine taxable income is:	37 The tax is:
38 <u>Less than \$43,700</u>	38 <u>5.8% of the Maine taxable income</u>
39 <u>At least \$43,700 but less than \$103,400</u>	39 <u>\$2,535 plus 6.75% of the excess over</u> 40 <u>\$43,700</u>
41 <u>At least \$103,400 but less than \$200,000</u>	41 <u>\$6,564 plus 7.15% of the excess over</u> 42 <u>\$103,400</u>
43 <u>At least \$200,000 but less than \$500,000</u>	43 <u>\$13,471 plus 9.15% of the excess over</u> 44 <u>\$200,000</u>

1	<u>At least \$500,000 but less than \$1,000,000</u>	<u>\$40,921 plus 10.15% of the excess over</u>
2		<u>\$500,000</u>
3	<u>At least \$1,000,000 but less than</u>	<u>\$91,671 plus 11.15% of the excess over</u>
4	<u>\$2,000,000</u>	<u>\$1,000,000</u>
5	<u>At least \$2,000,000 but less than</u>	<u>\$203,171 plus 12.15% of the excess over</u>
6	<u>\$20,000,000</u>	<u>\$2,000,000</u>
7	<u>\$20,000,000 or more</u>	<u>\$2,390,171 plus 13.15% of the excess over</u>
8		<u>\$20,000,000</u>

9

SUMMARY

10 This bill establishes 5 new tax brackets for income exceeding \$100,000 for persons
11 filing as single individuals or married individuals filing separately, \$150,000 for
12 individuals filing as head of household and \$200,000 for individuals filing married joint
13 returns or surviving spouses.