

LD 1113 - Overview of Revised Proposed Amendment

Timeframe and revenue estimates

- Begins in tax years on or after 2014.
- Revenue neutral – see analysis from Maine Revenue Services.

Tax equalization assessment

- Applies to resident taxpayers with *an effective tax rate on state and local tax taxes paid that is less than the average paid by the bottom 99% of tax families* and income of at least:
 - \$250,000 for single filers;
 - \$325,000 for head of household filers; and
 - \$400,000 for joint filers.
- The assessment is a percentage equal to the difference between the average effective tax rate and the taxpayer's effective tax rate on state and local taxes paid applied to tax family's expanded income.

Homestead exemption increase

- Begins in property tax years on or after April 1, 2014.
- Increases current exemption to \$30,000.

Circuitbreaker payment increase^{*}

- Increases the maximum Circuitbreaker payment from \$2,000 to \$2,500.
- Applies to Circuitbreaker application periods beginning on or after August 1, 2014.

*The maximum Circuitbreaker payment has been \$1,600 in recent years and is scheduled to return to \$2,000 for application periods beginning on or after August 1, 2013.