§5217-A. Income tax paid to other taxing jurisdiction

A resident individual is allowed a credit against the tax otherwise due under this Part, excluding the tax imposed by section 5203-C, equal to the amount determined in subsection 1 plus the amount determined in subsection 2, as limited by subsection 4. [PL 2025, c. 650, Pt. N, §4 (NEW); PL 2025, c. 650, Pt. N, §8 (AFF).]

1. Individual income tax. For individual income tax, the credit is the amount of income tax imposed on that individual for the taxable year by another state of the United States, a political subdivision of any such state, the District of Columbia or any political subdivision of a foreign country that is analogous to a state of the United States with respect to income subject to tax under this Part that is derived from sources in that taxing jurisdiction.
[PL 2025, c. 650, Pt. N, §4 (NEW); PL 2025, c. 650, Pt. N, §8 (AFF).]

2. Distributive share. If another state of the United States, a political subdivision of any such state, the District of Columbia or any political subdivision of a foreign country that is analogous to a state of the United States imposes an income tax on an individual, trust or estate that is substantially similar to the income tax imposed on such an individual, trust or estate under this Part, the credit is equal to the amount of the individual's distributive share of tax imposed on a pass-through entity that is substantially similar to the tax imposed under chapter 815, subchapter 3, reduced by any refundable credits to the extent the refundable credits reduce the income tax imposed on the individual, trust or estate below zero, with respect to income subject to tax under this Part that is derived from sources in that taxing jurisdiction.
[PL 2025, c. 650, Pt. N, §4 (NEW); PL 2025, c. 650, Pt. N, §8 (AFF).]

3. Sourcing of income. In determining whether income is derived from sources in another jurisdiction described in subsections 1 and 2, the assessor may not employ the law of the other jurisdiction but shall instead assume that a statute equivalent to section 5142 applies in that jurisdiction.
[PL 2025, c. 650, Pt. N, §4 (NEW); PL 2025, c. 650, Pt. N, §8 (AFF).]

4. Credit limitation. The credit, for any of the specified taxing jurisdictions described in subsections 1 and 2, may not exceed the proportion of the tax otherwise due under this Part, excluding the tax imposed by section 5203-C, that the amount of the taxpayer's Maine adjusted gross income derived from sources in that taxing jurisdiction bears to the taxpayer's entire Maine adjusted gross income; except that, when a credit is claimed for taxes paid to both a state and a political subdivision of a state, the total credit allowable for those taxes does not exceed the proportion of the tax otherwise due under this Part, excluding the tax imposed by section 5203-C, that the amount of the taxpayer's Maine adjusted gross income derived from sources in the other state bears to the taxpayer's entire Maine adjusted gross income.
[PL 2025, c. 650, Pt. N, §4 (NEW); PL 2025, c. 650, Pt. N, §8 (AFF).]

SECTION HISTORY

PL 1987, c. 769, §A160 (NEW). PL 1991, c. 528, §N16 (AMD). PL 1991, c. 528, §§N17,RRR (AFF). PL 1991, c. 591, §N16 (AMD). PL 1991, c. 591, §N17 (AFF). PL 2003, c. 391, §9 (AMD). PL 2003, c. 673, §JJ4 (AMD). PL 2003, c. 673, §JJ6 (AFF). PL 2025, c. 650, Pt. N, §4 (RPR). PL 2025, c. 650, Pt. N, §8 (AFF).

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