

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 564

H.P. 414

House of Representatives, January 28, 1997

**An Act to Implement the Recommendations of the Commission to Study
Poverty Among Working Parents with Regard to State Earned Income
Tax Credit.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative POVICH of Ellsworth.
Cosponsored by Senator CATHCART of Penobscot and
Representatives: BIGL of Bucksport, HATCH of Skowhegan, LEMAIRE of Lewiston,
VOLENIK of Brooklin, Senator: RAND of Cumberland.

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

4 Sec. 1. 36 MRSA §5219-L is enacted to read:

6 §5219-L. Earned income tax credit

8 The following are eligible for a refundable credit against the tax otherwise due under this Part.

10 1. Income below 100% of the federal poverty level. A taxpayer with at least one dependent child and with income below 100% of the federal poverty level who qualifies for the federal earned income tax credit qualifies for a state earned income tax credit of 20% of the federal credit.

16 2. Income at 100% and below 133% of the federal poverty level. A taxpayer with at least one dependent child and with income at 100% and below 133% of the federal poverty level who qualifies for the federal earned income tax credit qualifies for a state earned income tax credit of 15% of the federal earned credit.

22 3. Income at 133% and below 185% of the federal poverty level. A taxpayer with at least one dependent child and with income at 133% and below 185% of the federal poverty level who qualifies for the federal earned income tax credit qualifies for a state earned income tax credit of 10% of the federal credit.

28 Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 1997.

32 SUMMARY

34 This bill establishes a Maine earned income tax credit for low-income families. The credit is 20% of the federal earned income tax credit for families below 100% of the federal poverty level, 15% for families at 100% and below 133% of the federal poverty level and 10% for families at 133% and below 185% of the federal poverty level.