

# MAINE STATE LEGISLATURE

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Date: 6/11/19

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STATE OF MAINE  
SENATE  
129TH LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT " A " to COMMITTEE AMENDMENT "A" to H.P. 718,  
L.D. 963, Bill, "An Act To Exempt Overtime Pay from Individual Income Tax"

Amend the amendment by inserting after the title the following:

'Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 36 MRSA §5111, sub-§7 is enacted to read:

7. Income tax surcharge for overtime compensation exclusion. An income tax surcharge to offset the revenue loss attributable to the exclusion from income tax of overtime compensation pursuant to section 5122, subsection 2, paragraph QQ, referred to in this subsection as "the surcharge," is established and administered as follows.

A. For tax years beginning on or after January 1, 2020, in addition to any other tax imposed by this chapter, a tax at the rate of 2.15% is imposed on that portion of the taxpayer's Maine taxable income in excess of \$1,450,000.

B. Notwithstanding Title 30-A, section 5681, subsection 5 or any other law to the contrary, 100% of the revenue from the surcharge must be used to offset the loss of revenue attributable to the exclusion provided pursuant to section 5122, subsection 2, paragraph QQ.'

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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**SUMMARY**

This amendment imposes a surcharge in the amount of 2.15% on income above \$1,450,000, which is approximately the top .1% of income earners in Maine. The revenue from the surcharge must be used to offset the loss of revenue attributable to the exclusion of overtime pay from income tax provided for in the bill.

**SPONSORED BY:** 

**(President JACKSON)**

**COUNTY: Aroostook**



# 129th MAINE LEGISLATURE

LD 963

LR 2174(03)

## An Act To Exempt Overtime Pay from Individual Income Tax

Fiscal Note for Senate Amendment "A" to Committee Amendment "A" (S-256)

Sponsor: Pres. Jackson of Aroostook

Fiscal Note Required: Yes

### Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
<b>Net Cost (Savings)</b>				
General Fund	(\$10,754,000)	(\$36,584,500)	(\$39,054,500)	(\$41,496,000)
<b>Revenue</b>				
General Fund	\$10,754,000	\$36,584,500	\$39,054,500	\$41,496,000
Other Special Revenue Funds	(\$566,000)	(\$1,925,500)	(\$2,055,500)	(\$2,184,000)

### Fiscal Detail and Notes

The amendment creates a surcharge of 2.15% on income above \$1,450,000 and would increase General Fund revenue by \$10,754,000 in fiscal year 2019-20 and \$36,584,500 in fiscal year 2020-21. It would also increase Local Government Fund revenue by \$566,000 in fiscal year 2019-20 and \$1,925,500 in fiscal year 2020-21.