

MAINE STATE LEGISLATURE

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SK
ROFS

L.D. 229

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Date:

6/11/25

MAJORITY

(Filing No. H-649)

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TAXATION

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Reproduced and distributed under the direction of the Clerk of the House.

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

7

132ND LEGISLATURE

8

FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT "A" to H.P. 152, L.D. 229, "An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets and Tax Rates"

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11

Amend the bill by striking out all of section 2 and inserting the following:

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

13

1-G. Single individuals and married persons filing separate returns; tax years beginning 2026. For tax years beginning on or after January 1, 2026, for single individuals and married persons filing separate returns:

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If Maine taxable income is:

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Less than \$27,450

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At least \$27,450 but less than \$64,950

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20

At least \$64,950 but less than \$144,500

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At least \$144,500 but less than \$500,000

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24

\$500,000 or more

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26

The tax is:

5.5% of the Maine taxable income

\$1,510 plus 6.75% of the excess over

\$27,450

\$4,041 plus 7.15% of the excess over

\$64,950

\$9,729 plus 7.75% of the excess over

\$144,500

\$37,280 plus 8.95% of the excess over

\$500,000

27

Amend the bill by striking out all of section 4 and inserting the following:

28

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

29

2-G. Heads of households; tax years beginning 2026. For tax years beginning on or after January 1, 2026, for unmarried individuals or legally separated individuals who qualify as heads of households:

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If Maine taxable income is:

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Less than \$41,150

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At least \$41,150 but less than \$97,450

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The tax is:

5.5% of the Maine taxable income

\$2,263 plus 6.75% of the excess over

\$41,150

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to H.P. 152, L.D. 229

At least \$97,450 but less than \$216,750	\$6,063 plus 7.15% of the excess over \$97,450
At least \$216,750 but less than \$750,000	\$14,593 plus 7.75% of the excess over \$216,750
\$750,000 or more	\$55,921 plus 8.95% of the excess over \$750,000

Amend the bill by striking out all of section 6 and inserting the following:

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

3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2026. For tax years beginning on or after January 1, 2026, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$54,900</u>	<u>5.5% of the Maine taxable income</u>
<u>At least \$54,900 but less than \$129,900</u>	<u>\$3,020 plus 6.75% of the excess over \$54,900</u>
<u>At least \$129,900 but less than \$289,000</u>	<u>\$8,083 plus 7.15% of the excess over \$129,900</u>
<u>At least \$289,000 but less than \$1,000,000</u>	<u>\$19,459 plus 7.75% of the excess over \$289,000</u>
<u>\$1,000,000 or more</u>	<u>\$74,562 plus 8.95% of the excess over \$1,000,000</u>

Amend the bill in section 7 in subsection 1 in the first line (page 3, line 3 in L.D.) by striking out the following: "2025" and inserting the following: '2026'

Amend the bill in section 7 in subsection 1 in the last line (page 3, line 8 in L.D.) by striking out the following: "2024" and inserting the following: '2025'

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

SUMMARY

This amendment reduces to 5 the number of income tax brackets proposed in the bill for each filing status, adjusts the tax brackets and increases the rate of tax on the top 2 brackets to 7.75% and 8.95%, respectively. The amendment also adjusts the dates for indexing.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



Revised: 06/10/25 **LRL**

132nd MAINE LEGISLATURE

LD 229

LR 424(02)

An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets and Tax Rates

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-649)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	(\$22,752,500)	(\$77,615,000)	(\$84,312,500)	(\$91,912,500)
Revenue				
General Fund	\$22,752,500	\$77,615,000	\$84,312,500	\$91,912,500
Other Special Revenue Funds	\$1,197,500	\$4,085,000	\$4,437,500	\$4,837,500

Fiscal Detail and Notes

This bill would result in a revenue increase to the General Fund of \$22,752,500 in fiscal year 2025-26 and \$77,615,000 in fiscal year 2026-27 by adjusting the individual income tax rate brackets and increasing the top marginal tax rates for tax years beginning on or after January 1, 2026. The bill would also result in a revenue increase to the Local Government Fund of \$1,197,500 in fiscal year 2025-26 and \$4,085,000 in fiscal year 2026-27.