

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1294

S.P. 524

In Senate, March 25, 2025

An Act to Expand the Dependent Exemption Tax Credit

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by President DAUGHTRY of Cumberland.
Cosponsored by Representative GATTINE of Westbrook and
Senators: DUSON of Cumberland, LIBBY of Cumberland, MOORE of Washington, PIERCE
of Cumberland, RENY of Lincoln, TIPPING of Penobscot, Representative: GRAMLICH of
Old Orchard Beach.

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

Sec. 1. 36 MRSA §5219-SS, sub-§1, as amended by PL 2023, c. 412, Pt. ZZZ, §6, is further amended to read:

1. Resident taxpayer; tax years beginning before 2026 2025. For tax years beginning on or after January 1, 2018 and before January 1, ~~2026~~ 2025, a resident individual is allowed a credit against the tax otherwise due under this Part equal to \$300 for each qualifying child and dependent of the taxpayer for whom the taxpayer was eligible to claim the federal child tax credit pursuant to the Code, Section 24 for the same taxable year.

Sec. 2. 36 MRSA §5219-SS, sub-§1-A, as enacted by PL 2023, c. 412, Pt. ZZZ, §6, is amended to read:

1-A. Resident taxpayer; tax years beginning 2026 2025 or after. For tax years beginning on or after January 1, ~~2026~~ 2025, a resident individual is allowed a credit against the tax otherwise due under this Part ~~equal to \$300~~ for each dependent of the taxpayer for whom the taxpayer was eligible to claim the federal personal exemption pursuant to the Code, Section 151 in an amount greater than \$0 for the same taxable year- in the following amounts:

A. \$300 for each dependent of the taxpayer who is 6 years of age or older; and

B. \$600 for each dependent of the taxpayer who has not attained 6 years of age before the close of the taxable year.

Sec. 3. 36 MRSA §5219-SS, sub-§4, as amended by PL 2023, c. 412, Pt. ZZZ, §6, is further amended to read:

4. Refundability; phase-out. For tax years beginning before January 1, 2024, the credit allowed by this section may not reduce the tax otherwise due under this Part to less than zero. For tax years beginning on or after January 1, 2024, the credit allowed under subsections 1, 1-A, 3 and 3-A is refundable. The For the tax year beginning on January 1, 2024, the amount of the credit allowed by this section must be reduced, but not below zero, by \$7.50 for each \$1,000 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds \$400,000 in the case of a joint return and \$200,000 in any other case. For tax years beginning on or after January 1, 2025, the amount of the credit allowed by this section must be reduced, but not below zero, by \$20 for each \$500 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds:

A. For a single individual or a married individual filing a separate return, \$100,000;

B. For an individual filing as a head of household, \$125,000; and

C. For individuals filing married joint returns or surviving spouses, \$150,000.

SUMMARY

This bill expands the dependent exemption tax credit for tax years beginning on or after January 1, 2025 by doubling the credit to \$600 for each dependent who has not attained 6 years of age before the close of the taxable year. It also amends the phase-out provisions based on the filer's status.