

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 751

H. P. 575 House of Representatives, February 10, 1971
Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Drigotas of Auburn.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT Providing for a Low Income Allowance.

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

Sec. 1. R. S., T. 36, § 5124, repealed and replaced. Section 5124 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is repealed and the following enacted in place thereof:

§ 5124. Standard deduction

1. General. The standard deduction of a resident individual or of a resident husband and wife who file a joint return is the larger of the percentage standard deduction or a low income allowance of \$1,000, \$500 in the case of married individual filing separately.

2. Percentage standard deduction. The percentage standard deduction of a resident individual or of a resident husband and wife who file a joint return is an amount equal to the applicable percentage of adjusted gross income, as modified by this part, shown in the following table, but not to exceed the maximum amount shown in such table, or $\frac{1}{2}$ of such maximum amount in the case of a separate return by a married individual:

Taxable years beginning in—	Applicable Percentage	Maximum Amount
1970	10	\$1,000
1971	13	\$1,500
1972	14	\$2,000
1973 and thereafter	15	\$2,000

Sec. 2. R. S., T. 36, § 5143, repealed and replaced. Section 5143 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is repealed and the following enacted in place thereof:

§ 5143. Standard deduction

The standard deduction of a nonresident individual or husband and wife who file a joint return is an amount equal to the applicable percentage of adjusted gross income from sources within this State, but not to exceed the maximum amount shown in such table, or $\frac{1}{2}$ of such maximum amount in the case of a separate return by a married individual:

Taxable years beginning in—	Applicable Percentage	Maximum Amount
1970	10	\$1,000
1971	13	\$1,500
1972	14	\$2,000
1973 and thereafter	15	\$2,000

Sec. 3. R. S., T. 36, § 5220, sub-§ 1, ¶¶ B and C, amended. Paragraphs B and C of subsection 1 of section 5220 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, are amended to read as follows:

B. Who has adjusted gross income of more than ~~\$1,000~~ \$2,000 if single or more than ~~\$2,000~~ \$3,000 if married, or

C. Who having attained the age of 65 before the close of his taxable year has adjusted gross income of more than ~~\$2,000~~ \$3,000 if single and more than ~~\$3,000~~ \$4,000 if married and his spouse has not attained the age of 65 and more than ~~\$4,000~~ \$5,000 if both have attained the age of 65 before the close of the taxable year.

STATEMENT OF FACT

The purpose of this bill is to conform the State Income Tax to the recent revisions of the federal tax law granting a low income allowance as well as conforming the maximum standard deduction for both state and federal tax.