

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 738

H. P. 559

House of Representatives, February 8, 1973

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Whitzell of Gardiner.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Change the Standard Deduction of the State Income Tax Law.

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

Sec. 1. R. S., T. 36, § 5124, amended. 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 amended to read as follows:

§ 5124. Standard deduction

The standard deduction of a resident individual or of a resident husband and wife who file a joint return shall be ~~10%~~ 15% of his or their adjusted gross income as modified by this part, or \$1,000, whichever is less. The standard deduction of a married person who files a separate return shall not exceed \$500.

Sec. 2. R. S., T. 36, § 5143, amended. 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 amended to read as follows:

§ 5143. Standard deduction

The standard deduction of a nonresident individual or husband and wife who file a joint return shall be ~~10%~~ 15% of his or their adjusted gross income from sources within this State or \$1,000, whichever is less. The standard deduction of a nonresident married person who files a separate return shall not exceed \$500.

FISCAL NOTE

It is estimated that the loss of revenue for a full year will approximate \$2,400,000.

STATEMENT OF FACT

The purpose of this proposed legislation is to bring the Maine State Income Tax standard deduction in line with the Federal Income tax laws. The effect of the proposed change will be of greatest benefit to the median incomes and bring them much needed tax relief.