

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1105

H. P. 835

House of Representatives, February 23, 1973

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Dunleavy of Presque Isle.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Revising the Rate Tables of Tax Imposed on the Income of
Individuals.

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

R. S., T. 36, § 5111, amended. The table following the first paragraph of section 5111 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is repealed and the following enacted in place thereof:

If the taxable income is:

The tax is:

Not over \$2,000

1% of the taxable income

\$ 2,000 but not over \$ 5,000

\$ 20 plus 2% of excess over \$ 2,000

\$ 5,000 but not over \$10,000

\$ 80 plus 3% of excess over \$ 5,000

\$10,000 but not over \$15,000

\$ 230 plus 4% of excess over \$10,000

\$15,000 but not over \$20,000

\$ 430 plus 5% of excess over \$15,000

\$20,000 but not over \$25,000

\$ 680 plus 6% of excess over \$20,000

\$25,000 but not over \$30,000

\$ 980 plus 7% of excess over \$25,000

\$30,000 but not over \$35,000

\$1,330 plus 8% of excess over \$30,000

\$35,000 but not over \$40,000

\$1,730 plus 9% of excess over \$35,000

\$40,000 but not over \$45,000

\$2,180 plus 10% of excess over \$40,000

\$45,000 but not over \$50,000

\$2,680 plus 11% of excess over \$45,000

\$50,000 or more

\$3,230 plus 12% of next \$5,000 of tax-

able income or part thereof;

and 1% shall be added to the previous percentage assessed for each additional \$5,000 of taxable income or part thereof, but in no case shall the percentage of tax assessed against any \$5,000 increment of taxable income exceed 50%

of that increment, and in no case shall the entire tax exceed 30% of the entire taxable income.

STATEMENT OF FACT

The increasing costs of government services and the need to eliminate certain regressive taxes and provide tax relief to segment of our our already overtaxed middle class, portend the need for additional revenues, and this revenue source should be from those persons with the greater ability to pay and those persons who benefit most from the services provided by government. Under these revised tax rates, no income group would pay less tax than is currently being paid by that income group; persons with taxable income of \$15,000 or less would pay the same tax as they currently pay; and the tax would gradually increase as income level rose. Persons in the \$15,000 to \$20,000 taxable income bracket would pay an average of \$30 per year more tax; persons in the \$20,000 to \$25,000 taxable income per year bracket would pay an average of \$110 per year more than they pay now. The increases would be sharper as taxable income rose. Below are examples of current taxation at selected income levels and the tax computed on the basis of the revised table herein:

Taxable income:	Current tax:	Tax under this table:
\$ 2,000	\$ 20	\$ 20
10,000	230	230
15,000	430	430
25,000	830	980
50,000	2,080	3,230
70,000	3,280	5,930
100,000	5,080	9,680
250,000	14,080	62,680
500,000	29,080	150,000

Considerably more than \$5,000,000 in additional revenue would be produced by these new tables; how much more is not known at this time because the Bureau of Taxation did not provide the sponsor with detailed information in their files of taxpayers returns in the highest income levels.