

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 478

H. P. 385

House of Representatives, January 30, 1975

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

EDWIN H. PERT, Clerk

Presented by Mrs. Boudreau of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

**AN ACT to Increase the Inheritance Tax Exemption and to
Amend the Tax Rates.**

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

Sec. 1. 36 MRSA, § 3462, first 2 sentences are amended to read:

Property which shall so pass to or for the use of the following persons who shall be designated as Class A, to wit: Husband, wife, lineal ancestor, lineal descendant, adopted child, stepchild, adoptive parent, wife or widow of a natural or adopted son or husband or widower of a natural or adopted daughter of a decedent, grandchild who is the natural or adopted child of a natural or adopted child of a decedent, shall be subject to a tax upon the value thereof, in excess of the exemption hereinafter provided; of 2% of such value in excess of said exemption as does not exceed ~~\$50,000~~ \$80,000; of 3% of such value as exceeds said ~~\$50,000~~ \$80,000 and does not exceed \$100,000; of ~~4%~~ 5% of such value as exceeds \$100,000 and does not exceed \$250,000; and of ~~6%~~ 10% of such value as exceeds \$250,000. The value exempt from taxation to or for the use of a husband or wife shall in each case be ~~\$15,000~~ \$50,000.

Sec. 2. Effective date. This Act shall apply to property and interests passing on or after January 1, 1976.

FISCAL NOTE

Enactment of this bill would result in a loss of General Fund revenue of \$1,500,000 per year. There would be no additional cost of administration.

STATEMENT OF FACT

The purpose of this bill is to increase the amount of property exempt from the inheritance tax, in keeping with the rise in property values and to make up for some of the lost revenue by increasing the tax rate in the higher brackets.