

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1628

H. P. 1327

House of Representatives, April 2, 1975

On Motion of Mr. Drigotas of Auburn referred to Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Wilfong of Stow.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Establish a Tax Credit for Dependents under
the Maine State Income Tax.

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

Sec. 1. 36 MRSA § 5111, as enacted by P&SL 1969, c. 154, Section F, is repealed and the following enacted in place thereof:

§ 5111. Imposition and rate of tax

A tax is hereby imposed for each taxable year on the entire taxable income of every resident individual of this State and on the taxable income of every nonresident individual which is derived from sources within this State. The amount of the tax shall be determined in accordance with the following table:

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 \$25,000	\$230 plus 5% of excess over \$10,000
\$25,000 but not over \$50,000	\$980 plus 8% of excess over \$25,000
\$50,000 or more	\$2,980 plus 14% of excess over \$50,000

Sec. 2. 36 MRSA § 5126, as enacted by P&SL 1969, c. 154, Section F, is amended by adding at the end a new sentence to read:

However, no exemption under this section shall be allowed for any dependent.

Sec. 3. 36 MRSA § 5129 is enacted to read:

§ 5129. Dependent tax credit

A credit of \$30 for each dependent shall be allowed to any resident filing a separate return or to any resident husband and wife filing a joint return.

Sec. 4. 35 MRSA § 5146 is enacted to read:

§ 5146. Dependent tax credit

A nonresident individual filing a separate return shall be allowed the same tax credit as a resident individual filing a separate return is allowed under section 5129, and a husband or wife either one of whom or both of whom are nonresidents and who file a joint return shall be allowed the same tax credit as a husband and wife both of whom are residents are allowed under section 5129.

FISCAL NOTE

Passage of this Act will have no significant effect on state revenues.

STATEMENT OF FACT

This bill substitutes a much needed income tax credit of \$30 for each dependent for the present \$1,000 exemption permitted for each dependent. The bill offsets any loss in revenue caused by the credit by revising the income tax schedule to make the State income tax more progressive while most Maine taxpayers will be unaffected by the revision of the income tax schedule.