

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1701

H. P. 1347

House of Representatives, April 4, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Cooney of Sabattus.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

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

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

36 MRSA § 5111, as enacted by P&SL 1969, c. 154, Section F, is repealed and the following enacted in place thereof: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

If the taxable income is:
Not over \$2,000

The tax is:
1% of the taxable income

\$ 2,000 but not over \$ 5,000
\$ 5,000 but not over \$10,000
\$10,000 but not over \$15,000
\$15,000 but not over \$20,000
\$20,000 but not over \$25,000
\$25,000 but not over \$30,000
\$30,000 but not over \$35,000
\$35,000 but not over \$40,000
\$40,000 but not over \$45,000
\$45,000 but not over \$50,000
\$50,000 or more

\$ 20 plus 2% of excess over \$ 2,000
\$ 80 plus 3% of excess over \$ 5,000
\$ 230 plus 4% of excess over \$10,000
\$ 430 plus 5% of excess over \$15,000
\$ 680 plus 6% of excess over \$20,000
\$ 980 plus 7% of excess over \$25,000
\$1,330 plus 8% of excess over \$30,000
\$1,730 plus 9% of excess over \$35,000
\$2,180 plus 10% of excess over \$40,000
\$2,680 plus 11% of excess over \$45,000
\$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.

FISCAL NOTE

Approximately \$5,000,000 in additional income to the General Fund 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.

STATEMENT OF FACT

The increasing costs of government services and the need to eliminate certain regressive taxes and provide tax relief to segments of our 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.