

MAINE STATE LEGISLATURE

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\$ 60,000 but not over \$ 70,000	\$ 4,222 plus 10.2% of excess over \$ 70,000
\$ 70,000 but not over \$ 80,000	\$ 5,246 plus 10.6% of excess over \$ 80,000
\$ 80,000 but not over \$ 90,000	\$ 6,302 plus 10.9% of excess over \$ 90,000
\$ 90,000 but not over \$100,000	\$ 7,390 plus 11 % of excess over \$ 90,000
\$100,000 or more	\$ 8,494 plus 11.2% of excess over \$100,000

Married - Joint

If the taxable income is:

The tax is:

Not over \$1,000	2.2% of taxable income
\$ 1,000 but not over \$ 2,000	\$ 22 plus 2.4% of excess over \$ 1,000
\$ 2,000 but not over \$ 3,000	\$ 46 plus 2.6% of excess over \$ 2,000
\$ 3,000 but not over \$ 4,000	\$ 72 plus 2.7% of excess over \$ 3,000
\$ 4,000 but not over \$ 8,000	\$ 99 plus 3 % of excess over \$ 4,000
\$ 8,000 but not over \$ 12,000	\$ 219 plus 3.5% of excess over \$ 8,000
\$ 12,000 but not over \$ 16,000	\$ 359 plus 4 % of excess over \$ 12,000
\$ 16,000 but not over \$ 20,000	\$ 519 plus 4.5% of excess over \$ 16,000
\$ 20,000 but not over \$ 24,000	\$ 699 plus 5.1% of excess over \$ 20,000
\$ 24,000 but not over \$ 28,000	\$ 903 plus 5.8% of excess over \$ 24,000
\$ 28,000 but not over \$ 32,000	\$ 1,135 plus 6.2% of excess over \$ 28,000
\$ 32,000 but not over \$ 36,000	\$ 1,383 plus 6.7% of excess over \$ 32,000
\$ 36,000 but not over \$ 40,000	\$ 1,651 plus 7.2% of excess over \$ 36,000
\$ 40,000 but not over \$ 44,000	\$ 1,939 plus 7.7% of excess over \$ 40,000
\$ 44,000 but not over \$ 52,000	\$ 2,247 plus 8 % of excess over \$ 44,000
\$ 52,000 but not over \$ 64,000	\$ 2,887 plus 8.5% of excess over \$ 52,000
\$ 64,000 but not over \$ 76,000	\$ 3,907 plus 8.8% of excess over \$ 64,000
\$ 76,000 but not over \$ 88,000	\$ 4,963 plus 9.3% of excess over \$ 76,000
\$ 88,000 but not over \$100,000	\$ 6,079 plus 9.6% of excess over \$ 88,000
\$100,000 but not over \$120,000	\$ 7,231 plus 9.9% of excess over \$100,000
\$120,000 but not over \$140,000	\$ 9,211 plus 10.2% of excess over \$120,000
\$140,000 but not over \$160,000	\$11,251 plus 10.6% of excess over \$140,000
\$160,000 but not over \$180,000	\$13,371 plus 10.9% of excess over \$160,000
\$180,000 but not over \$200,000	\$15,551 plus 11 % of excess over \$180,000
\$200,000 or more	\$17,751 plus 11.2% of excess over \$200,000

Sec. 2. 36 MRSa §5113, as enacted by P&SL 1969, c. 154, §F,

is repealed and the following enacted in its place:

§5113. Surviving spouse

If a person qualifies as a surviving spouse for federal income tax purposes, he may also qualify as a surviving spouse for the purposes of this chapter and file a joint return while so qualified.

Sec. 3. 36 MRSA §5115 is enacted to read:

§ 5115. Head of household

A taxpayer who qualifies to file his federal income tax return as a head of a household may also file as a head of a household with the State. If he does so, his tax shall be equal to 1/2 the amount imposed by section 5111 on his income if he were single, plus 1/2 of the amount imposed by section 5111 if he were filing a joint return.

Sec. 4. 36 MRSA §5124, ^{1st ¶,} as amended by PL 1975, c. 765, §27, is repealed and the following enacted in its place:

The standard deduction of a resident individual, or of a resident husband and wife who file a joint return or of a resident married person who files a separate return shall be as follows:

Sec. 5. 36 MRSA §5124, sub-§1, as enacted by PL 1975, c. 660, §7, is repealed.

Sec. 6. 36 MRSA §5124, sub-§§2, 3 and 4 are enacted to read:

2. Single persons. Single persons a deduction of \$2,200;
3. Married persons; joint returns. Married persons filing joint returns or a surviving spouse a deduction of \$3,200;^{and}
4. Married persons; separate return. A married person filing a separate return a deduction of \$1,600.

Sec. 7. 36 MRSA §5143, as amended by PL 1975, c. 765, §28, is repealed and the following enacted in its place:
§5143. Standard deduction; nonresident

The standard deduction of a nonresident individual, a nonresident husband and wife who file a joint return or of a nonresident married person who files a separate return shall be the same as the standard deduction allowed under section 5124 to a resident individual, a resident husband and wife (---) who file a joint return or of a resident married person who files a separate return.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect January 1, 1978.'

Statement of Fact

The purpose of this amendment is to replace the provisions of L.D. 971 with a new income tax schedule which seeks to even out the burdens caused by last year's income tax increase. A head of household rate is also provided, which will allow single persons with dependents to pay at a rate halfway between the married and single rates. Finally, this tax schedule, which is a percentage of the federal personal income tax schedule, also adopts the new more liberal standard deduction adopted this year by the Federal Government. The change in burdens caused by this new schedule would be:

Reported by the Minority of the Committee on Taxation.
 Reproduced & distributed under the direction of the Clerk
 of the House.

EFFECT OF THE MAINE INDIVIDUAL INCOME TAX BETWEEN
 RATES IN EFFECT FOR 1975, CURRENT RATES FOR 1977 AND

Adjusted Gross Income	SINGLE 1 EXEMPTION			MARRIED 2 EXEMPTIONS			MARRIED 4 EXEMPTIONS		
	1975	1977	Proposed	1975	1977	Proposed	1975	1977	Proposed
\$ 1,500	3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2,500	12	-0-	-0-	2	-0-	-0-	-0-	-0-	-0-
5,000	50	26	44	25	9	-0-	5	-0-	-0-
7,500	103	92	120	55	34	54	28	14	7
10,000	170	218	208	100	78	123	60	39	67
15,000	350	528	411	220	224	247	160	144	213
17,500	450	728	529	295	322	371	235	228	300
20,000	550	944	656	370	472	471	310	352	391
25,000	750	1,394	947	540	816	690	460	674	600
30,000	980	1,860	1,344	740	1,216	949	660	1,056	842
50,000	1,980	3,860	2,923	1,540	2,968	2,311	1,460	2,788	2,158
75,000	3,460	6,360	5,437	2,760	5,420	4,417	2,660	5,220	4,241
100,000	4,960	8,860	8,138	4,010	7,920	6,732	3,910	7,720	6,540
125,000	6,460	11,360	10,936	5,480	10,420	9,191	5,360	10,220	8,993
150,000	7,960	13,860	13,736	6,980	12,920	11,760	6,860	12,720	11,548
175,000	9,460	16,360	16,536	8,480	15,420	14,439	8,360	15,220	14,221
200,000	10,960	18,860	19,336	9,980	17,920	17,179	9,860	17,720	16,959

Committee Amendment "D"