

# MAINE STATE LEGISLATURE

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1/27/78

SECOND REGULAR SESSION

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 2099

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H. P. 2035 House of Representatives, January 24, 1978  
Governor's Bill. The Committee on Taxation suggested.

EDWIN H. PERT, Clerk

Presented by Mr. Carey of Waterville.

Cosponsors: Messrs. Palmer of Nobleboro, Twitchell of Norway.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-EIGHT

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AN ACT to Reduce the Current Maine Individual Income Tax Rates.

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

Sec. 1. 36 MRSA § 5111, as last repealed and replaced by PL 1975, c. 661, is repealed and the following enacted in its place:

§ 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 for any taxable year or portion thereof beginning on or after January 1, 1978:

If the taxable income is:	The tax is
Not over \$2,000	.95% of the taxable income
\$ 2,000 but not over \$ 4,000	\$ 19 plus 1.9% of excess over \$ 2,000
4,000 but not over 6,000	57 plus 3.8% of excess over 4,000
6,000 but not over 8,000	133 plus 5.7% of excess over 6,000

If the taxable income is:	The tax is
8,000 but not over 10,000	247 plus 6.65% of excess over 8,000
10,000 but not over 15,000	380 plus 7.6% of excess over 10,000
15,000 but not over 25,000	760 plus 8.55% of excess over 15,000
\$25,000 or more	\$1,615 plus 9.5% \$25,000

The amount of tax imposed for a taxable year containing a change in rate requiring use of 2 tax tables shall be determined as set forth in section 5234.

Sec. 2. 36 MRSA § 5200, as last repealed and replaced by PL 1973, c. 788, § 193, is repealed and the following enacted in its place:

§ 5200. Imposition and rate of tax

A tax is hereby imposed upon every "taxable corporation" as follows: 4.75% of the Maine net income not over \$25,000 plus 6.65% of the Maine net income over \$25,000 attributable on or after January 1, 1978.

Sec. 3. 36 MRSA § 5205, sub-§§ 1, 2 and 3, as enacted by PL 1973, c. 788, § 194, are repealed and the following paragraph enacted in their place:

The tax is 4.75% of the taxable income not over \$25,000 plus 6.65% of the taxable income over \$25,000 attributable on or after January 1, 1978; and is reduced by the amount of the tax payable by the corporation or association for the taxable year under chapter 817.

Sec. 4. Appropriation. The following funds shall be appropriated from the General Fund to carry out the purposes of this Act:

1978-79

FINANCE AND ADMINISTRATION,  
DEPARTMENT OF

Bureau of Taxation

Personal Services	(1)	\$ 6,000
All Other		20,000
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		\$26,000

FISCAL NOTE

It is estimated that enactment of this bill will reduce general fund revenue for fiscal year 1979 by \$8,500,000.