

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)



118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 704

H.P. 513

House of Representatives, February 4, 1997

An Act to Establish a Flat Tax Rate for the Maine Income Tax.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MACK of Standish.
Cosponsored by Senator HALL of Piscataquis and
Representatives: BUCK of Yarmouth, JOY of Crystal, KASPRZAK of Newport, LANE of
Enfield, PINKHAM of Lamoine, TREADWELL of Carmel, WATERHOUSE of Bridgton,
Senator: MacKINNON of York.

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

4 **Sec. 1. 36 MRSA §841**, as amended by PL 1993, c. 133, §1, is repealed.

6 **Sec. 2. 36 MRSA §5111**, as amended by PL 1991, c. 824, Pt. A, §§76 to 78 and affected by §§79, 92 and 93, is repealed and the following enacted in its place:

10 **§5111. Imposition and rate of tax**

12 A tax is imposed for each taxable year beginning on or after
14 January 1, 1999 on the Maine taxable income of every resident
individual of this State. The amount of the tax is 5%.

16 **Sec. 3. 36 MRSA §5111-A**, as repealed and replaced by PL 1987,
18 c. 819, §3, is repealed.

20 **Sec. 4. 36 MRSA §5124-A**, as amended by PL 1989, c. 596, Pt.
22 J, §7, is repealed and following enacted in its place:

22 **§5124-A. Standard deduction; resident**

24 The standard deduction for resident taxpayers who are
26 married persons filing jointly is \$25,000; the standard deduction
for all other resident taxpayers is \$10,000.

28 **Sec. 5. Effective date.** This Act takes effect January 1, 1999.

30 **SUMMARY**

32 This bill changes the existing graduated income tax program
34 into a flat tax rate income tax, effective for tax years
36 beginning on or after January 1, 1999.