

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

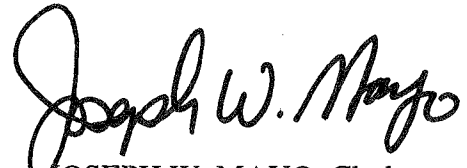
No. 975

H.P. 711

House of Representatives, February 11, 1997

An Act to Modify the Income Tax Rates.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative MACK of Standish.
Cosponsored by Senator BUTLAND of Cumberland and
Representatives: BODWELL of Brunswick, FOSTER of Gray, GERRY of Auburn, JOY of
Crystal, LAYTON of Cherryfield, PLOWMAN of Hampden, SNOWE-MELLO of Poland,
STEDMAN of Hartland.

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

2
4 **Sec. 1. 36 MRSA §5111, sub-§1-A**, as enacted by PL 1991, c. 591, Pt. YY, §2 and affected by §7, is amended to read:

6 **1-A. Single individuals and married persons filing separate returns.** For single individuals and married persons filing separate returns:

10	If Maine taxable income is:	The tax is:
12	Less than \$4,050	2% of the Maine taxable income
14		-0-
16	At least \$4,050 but less than \$8,100	\$81 plus 4.5% of the excess over \$4,050
18		
20	At least \$8,100 but less than \$16,200	\$263 <u>\$182</u> plus 7% of the excess over \$8,100
22		
24	\$16,200 or more	\$830 <u>\$749</u> plus 8.5% of the excess over \$16,200
26		
28		

30 **Sec. 2. 36 MRSA §5111, sub-§2-A**, as enacted by PL 1991, c. 591, Pt. YY, §4 and affected by §7, is amended to read:

32 **2-A. Heads of households.** For unmarried individuals or legally separated individuals who qualify as heads of households:

34	If Maine taxable income is:	The tax is:
36	Less than \$6,100	2% of the Maine taxable income
38		-0-
40	At least \$6,100 but less than \$12,150	\$122 plus 4.5% of the excess over \$6,100
42		
44	At least \$12,150 but less than \$24,300	\$394 <u>\$272</u> plus 7% of the excess over \$12,150
46		

2 \$24,300 or more \$1,245 \$1,123
4 plus 8.5% of the
6 excess over
\$24,300

8 **Sec. 3. 36 MRSA §5111, sub-§3-A,** as enacted by PL 1991, c.
591, Pt. YY, §6 and affected by §7, is amended to read:

10 **3-A. Individuals filing married joint return or surviving**
12 **spouses.** For individuals filing married joint returns or
surviving spouses permitted to file a joint return:

14 If Maine taxable income is:	The tax is:
16 Less than \$8,100	2% of the Maine taxable income
18	-0-
20 At least \$8,100 but less than \$16,200	\$162 plus 4.5% of the excess over \$8,100
22	
24 At least \$16,200 but less than \$32,400	\$527 <u>\$365</u> plus 7% of the excess over \$16,200
26	
28 \$32,400 or more	\$1,661 <u>\$1,499</u> plus 8.5% of the excess over \$32,400
30	
32	

34 **Sec. 4. 36 MRSA §5124-A,** as amended by PL 1989, c. 596, Pt.
J, §7, is repealed.

36 **Sec. 5. 36 MRSA §5124-B** is enacted to read:

38 **§5124-B. Standard deduction; resident**

40 The standard deduction of resident taxpayers is the
42 following.

44 1. Married persons; joint return. A \$16,000 deduction for
married persons filing jointly.

46 2. Unmarried or legally separated heads of households. A
48 \$7,500 deduction for unmarried or legally separated heads of
households.

50 3. Single individuals. A \$7,500 deduction for single
52 individuals.

2 4. Married persons; separate returns. A \$7,500 deduction
for married persons filing separate returns.

4 5. Surviving spouses. A \$10,000 deduction for surviving
6 spouses.

8

SUMMARY

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12 This bill increases the standard deduction for residents and
eliminates the 2% tax rate from the tax tables.