

MAINE STATE LEGISLATURE

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L.D. 2219

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DATE: *March 16, 1998*

(Filing No. S-526)

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION**

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to H.P. 1589, L.D. 2219, Bill, "An Act to Reduce Income and Property Taxes"

Amend the amendment by striking out everything after the title and before the 2nd paragraph before the fiscal note and inserting in its place the following:

'Amend the bill by striking out all of sections 2 to 4 and inserting in their place the following:

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

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

If Maine taxable income is:	The tax is:
Less-than-\$4,050	2%-of-the-Maine taxable-income
At-least-\$4,050-but less-than-\$8,100	\$81-plus-4.5%-of the-excess-over \$4,050
At least \$8,100 but less than \$16,200	\$263 plus 7% of the excess over \$8,100

SENATE AMENDMENT

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to H.P. 1589,
L.D. 2219

\$16,200 or more \$830 plus
8.5% 8%
of the excess
over \$16,200

Sec. 3. 36 MRSA §5111, sub-§2-A, as enacted by PL 1991, c.
591, Pt. YY, §4 and affected by §7, is amended to read:

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

If Maine taxable income is:	The tax is:
Less-than-\$6,100	2%-of-the-Maine taxable-income
At-least-\$6,100-but less-than-\$12,150	\$122-plus-4.5% of-the-excess over-\$6,100
At least \$12,150 but less than \$24,300	\$394 plus 7% of the excess over \$12,150
\$24,300 or more	\$1,245 plus 8.5% 8% of the excess over \$24,300

Sec. 4. 36 MRSA §5111, sub-§3-A, as enacted by PL 1991, c.
591, Pt. YY, §6 and affected by §7, is amended to read:

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

If Maine taxable income is:	The tax is:
Less-than-\$8,100	2%-of-the-Maine taxable-income
At-least-\$8,100-but less-than-\$16,200	\$162-plus-4.5% of-the-excess over-\$8,100
At least \$16,200 but less than \$32,400	\$527 plus 7% of the excess over \$16,200
\$32,400 or more	\$1,661 plus

SENATE AMENDMENT

8.5% 8%
of the excess
over \$32,400

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6 **Sec. 5. 36 MRSA §5126, first ¶**, as amended by PL 1997, c. 24,
Pt. E, §2, is further amended to read:

8 A resident individual is allowed \$2,100 for each exemption
10 to which the individual is entitled for the taxable year for
12 federal income tax purposes, unless the taxpayer is claimed as a
14 dependent on another return. No For income tax years beginning
16 on or after January 1, 1998, a resident individual is allowed
18 \$2,750 for each exemption to which the individual is entitled for
the taxable year for federal income tax purposes, unless the
taxpayer is claimed as a dependent on another return. An
additional exemption may be is not allowed for taxpayers over 65
years of age or blind. ~~The nominal dollar amount of this section~~
~~is subject to adjustment pursuant to Title 5, section 1518.~~

20 **Sec. 6. Application.** This Act applies to tax years beginning
22 on or after January 1, 1998.''

24 **FISCAL NOTE**

26 This amendment will increase the combined total cost of the
28 bill to the General Fund and the Tax Relief Fund for Maine
30 Residents by \$59,427,302 in fiscal year 1998-99, but decreases
the costs by \$193,995 in fiscal year 1999-2000 and \$167,952 in
fiscal year 2000-01.

32 **SUMMARY**

34 This amendment does the following:

- 36 1. It eliminates the proposed Maine resident homestead
38 property tax exemption;
- 40 2. It increases the personal tax exemption amount for
42 Maine's individual income tax to \$2,750 for tax years beginning
on or after January 1, 1998;
- 44 3. It eliminates the bottom 2 tax rates imposed on Maine
46 residents, thus exempting from income tax those single
48 individuals and married persons filing separate returns who have
taxable income of less than \$8,100; heads of households who have
50 taxable income of less than \$12,150; and individuals filing
married joint returns or surviving spouses who have taxable
income of less than \$16,200; and

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SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to H.P. 1589,
L.D. 2219

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4. It decreases from 8.5% to 8% the top rate of tax imposed on Maine residents.

SPONSORED BY:

Jane A. Amero

(Senator AMERO)

COUNTY: Cumberland

SENATE AMENDMENT