

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

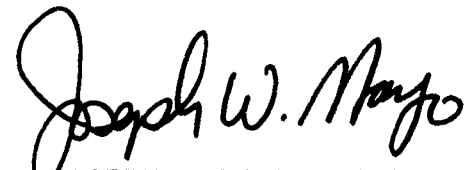
No. 103

H.P. 90

House of Representatives, January 11, 1999

**An Act to Implement the Recommendations of the Commission to Study
Poverty Among Working Parents with Regard to State Earned Income
Credit.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative POVICH of Ellsworth.
Cosponsored by Representative LEMONT of Kittery,
Senator DAGGETT of Kennebec and
Representatives: BOWLES of Sanford, CLARK of Millinocket, COLLINS of Wells,
KNEELAND of Easton, PLOWMAN of Hampden, Senator: DAVIS of Piscataquis.

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

4 **Sec. 1. 36 MRSA §5219-Q is enacted to read:**

6 **§5219-Q. Earned income tax credit**

8 The following taxpayers are eligible for a refundable credit against the tax otherwise due under this Part.

10 1. Income below 100% of the federal poverty level. A taxpayer with at least one dependent child and with income below 100% of the federal poverty level who qualifies for the federal earned income tax credit qualifies for a state earned income tax credit of 20% of the federal credit.

16 2. Income from 100% to less than 133% of the federal poverty level. A taxpayer with at least one dependent child and with income from 100% to less than 133% of the federal poverty level who qualifies for the federal earned income tax credit qualifies for a state earned income tax credit of 15% of the federal earned credit.

22 3. Income from 133% to less than 185% of the federal poverty level. A taxpayer with at least one dependent child and with income from 133% to less than 185% of the federal poverty level who qualifies for the federal earned income tax credit qualifies for a state earned income tax credit of 10% of the federal credit.

30 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1, 1999.

32

34 **SUMMARY**

36 This bill establishes a Maine earned income tax credit for low-income families. The credit is 20% of the federal earned income tax credit for families below 100% of the federal poverty level, 15% for families whose income is from 100% to below 133% of the federal poverty level and 10% for families whose income is from 133% to below 185% of the federal poverty level.