

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1681

H.P. 1170

House of Representatives, March 4, 1999

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 black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MACK of Standish.
Cosponsored by Representatives: BRAGDON of Bangor, GLYNN of South Portland,
MacDOUGALL of North Berwick, McKENNEY of Cumberland, PLOWMAN of Hampden,
SHIELDS of Auburn, TRAHAN of Waldoboro, WATERHOUSE of Bridgton.

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

4 **Sec. 1. 36 MRSA c. 841**, as amended, is repealed.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 A, §§76 to 78 and affected by §§79, 92 and 93, is repealed and the following enacted in its place:

8 **§5111. Imposition and rate of tax**

10 A tax is imposed for each taxable year beginning on or after
12 January 1, 2000 on the Maine taxable income of every resident
14 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16 **Sec. 3. 36 MRSA §5111-A**, as repealed and replaced by PL 1987, c. 819, §3, is repealed.

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 J, §7, is repealed and following enacted in its place:

20 **§5124-A. Standard deduction; resident**

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

28 **Sec. 5. 36 MRSA §5126**, as amended by PL 1997, c. 643, Pt. HHH, §§4 and 5 and affected by §10, is repealed.

30 **Sec. 6. Application.** This Act applies to tax years beginning
32 on or after January 1, 2000.

34 **SUMMARY**

36 This bill changes the existing graduated income tax program
38 into a flat tax rate income tax, effective for tax years
beginning on or after January 1, 2000.