

MAINE STATE LEGISLATURE

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MS

MIN.

L.D. 2143

DATE: 6-2-99

(Filing No. H-742)

MINORITY TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1499, L.D. 2143, Bill, "An Act to Reduce the Income Tax"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 36 MRSA §5111, sub-§1-A, as enacted by PL 1991, c. 591, Pt. YY, §2 and affected by §7, is repealed and the following enacted in its place:

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

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$4,150</u>	<u>2% of the Maine taxable income</u>
<u>At least \$4,150 but less than \$8,250</u>	<u>\$83 plus 4.5% of the excess over \$4,150</u>
<u>At least \$8,250 but less than \$16,500</u>	<u>\$268 plus 7% of the excess over \$8,250</u>

COMMITTEE AMENDMENT

A. of S.

COMMITTEE AMENDMENT "6" to H.P. 1499, L.D. 2143

\$16,500 or more \$846 plus 8.5% of the excess over \$16,500

Sec. 2. 36 MRSA §5111, sub-§2-A, as enacted by PL 1991, c. 591, Pt. YY, §4 and affected by §7, is repealed and the following enacted in its place:

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

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$6,300</u>	<u>2% of the Maine taxable income</u>
<u>At least \$6,300 but less than \$12,600</u>	<u>\$126 plus 4.5% of the excess over \$6,300</u>
<u>At least \$12,600 but less than \$24,750</u>	<u>\$410 plus 7% of the excess over \$12,600</u>
<u>\$24,750 or more</u>	<u>\$1,261 plus 8.5% of the excess over \$24,750</u>

Sec. 3. 36 MRSA §5111, sub-§3-A, as enacted by PL 1991, c. 591, Pt. YY, §6 and affected by §7, is repealed and the following enacted in its place:

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:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$8,500</u>	<u>2% of the Maine taxable income</u>
<u>At least \$8,500 but less than \$18,400</u>	<u>\$170 plus 4.5% of the excess over \$8,500</u>
<u>At least \$18,400 but less than \$33,000</u>	<u>\$616 plus 7% of the excess over \$18,400</u>

R. d. S.

COMMITTEE AMENDMENT "B" to H.P. 1499, L.D. 2143

\$33,000 or more

\$1,638 plus
8.5% of the
excess over
\$33,000

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Sec. 4. Application. This Act applies to tax years beginning on or after January 1, 2000.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

	1999-00	2000-01
REVENUES		
General Fund	(\$4,185,090)	(\$9,428,315)
Other Funds	(224,910)	(506,685)

The increase of certain income tax brackets will decrease individual income tax collections by \$4,410,000 in fiscal year 1999-00 and \$9,935,000 in fiscal year 2000-01. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$224,910 and \$506,685, respectively. The resulting net reductions of General Fund revenue will be \$4,185,090 in fiscal year 1999-00 and \$9,428,315 in fiscal year 2000-01.

The Bureau of Revenue Services will incur some minor additional costs to implement these individual income tax changes. These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

This amendment reduces individual income taxes by reducing the lower 3 bracket amounts for heads of households and married persons filing jointly. The amendment also adds a fiscal note to the bill.