

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 723

H.P. 568

House of Representatives, February 13, 2001

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### **An Act to Establish a Flat Tax Rate for the Maine Income Tax.**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative CRESSEY of Baldwin.  
Cosponsored by Representatives: DUPREY of Hampden, HEIDRICH of Oxford,  
KASPRZAK of Newport, MENDROS of Lewiston, SNOWE-MELLO of Poland,  
WATERHOUSE of Bridgton.

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

4 **Sec. 1. 36 MRSA §5111**, as amended by PL 1999, c. 731, Pt. T,  
5 §§2 to 7, is repealed.

6 **Sec. 2. 36 MRSA §5111-A**, as repealed and replaced by PL 1987,  
7 c. 819, §3, is repealed.

8 **Sec. 3. 36 MRSA §5111-C** is enacted to read:

9 **§5111-C. Imposition and rate of tax**

10  
11 **1. Resident.** A tax is imposed for each taxable year  
12 beginning on or after January 1, 2002 on the Maine taxable income  
13 of every resident individual of this State. The amount of the  
14 tax is 5%.

15  
16 **2. Additional tax.** Additionally, a tax is imposed for each  
17 taxable year beginning on or after January 1, 1989, on the Maine  
18 adjusted gross income of every nonresident individual. The  
19 amount of the tax equals the tax computed under this section and  
20 chapter 805, as if the nonresident were a resident, multiplied by  
21 the ratio of the individual's Maine adjusted gross income, as  
22 defined in section 5102, subsection 1-C, paragraph B, to the  
23 nonresident's entire federal adjusted gross income, as modified  
24 by section 5122.

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26 J, §7, is repealed and following enacted in its place:

27 **§5124-A. Standard deduction; resident**

28 The standard deduction for resident taxpayers who are  
29 married persons filing jointly is \$30,000, the standard deduction  
30 for persons filing as heads of households is \$20,000 and the  
31 standard deduction for all other resident taxpayers is \$10,000.

32  
33 **Sec. 5. 36 MRSA §5126**, as amended by PL 1999, c. 401, Pt.  
34 QQQ, §1, is repealed.

35  
36 **Sec. 6. 36 MRSA §5160**, as amended by PL 1993, c. 395, §19, is  
37 further amended to read:

38 **§5160. Imposition of tax**

39 The tax is imposed, at the ~~rates~~ rate provided by section  
40 5111 ~~5111-C~~ for resident individuals, upon the taxable income of  
41 estates and trusts. The tax must be paid by the fiduciary.

