

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 328

H.P. 251

House of Representatives, January 20, 2005

An Act To Enhance the Maine Earned Income Tax Credit

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative EDER of Portland.
Cosponsored by Senator STRIMLING of Cumberland.

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

4 **Sec. 1. 36 MRSA §5219-S**, as amended by PL 2003, c. 20, Pt.
GG, §1, is further amended to read:

6 **§5219-S. Earned income credit**

8 A taxpayer is allowed a refundable credit against the taxes
10 otherwise due under this Part equal to 5% ~~30%~~ of the federal
12 earned income credit for the same taxable year, except that for
14 tax years beginning in 2003, and 2004 ~~and-2005~~, the applicable
percentage is 4.92% ~~instead-of-5%~~. The credit may not reduce the
state income tax to less than zero.

16 **Sec. 2. Application.** This Act applies to tax years beginning
on or after January 1, 2005.

18 **SUMMARY**

20 This bill expands the Maine earned income tax credit by
22 increasing it from 5% to 30% of the federal credit and by making
it refundable.