

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1059

S.P. 376

In Senate, March 1, 2005

An Act To Reduce Maine's Income Tax Burden

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator NASS of York.

Cosponsored by Senators: COURTNEY of York, SNOWE-MELLO of Androscoggin,
Representative GLYNN of South Portland.

2 **Emergency preamble.** Whereas, acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 **Whereas,** Maine ranks among the highest tax burden states; and

6 **Whereas,** the income tax rates increase at a rapid rate so
8 that many families pay a disproportionate share of their income
in taxes; and

10 **Whereas,** in the judgment of the Legislature, these facts
12 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
14 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

18 **Sec. 1. 36 MRSA §5111, sub-§2-C is enacted to read:**

20 **2-C. Heads of households; tax years beginning 2006.** For
22 tax years beginning on or after January 1, 2006, for unmarried
individuals or legally separated individuals who qualify as heads
24 of households:

26 A. If Maine taxable income is less than \$24,000, the tax is
\$0;

28 B. If Maine taxable income is at least \$24,000 but less
30 than \$25,050, the tax is 2% of the excess over \$24,000; and

32 C. If Maine taxable income is \$25,050 or more, the tax is
\$21 plus 8.5% of the excess over \$25,050.

34 **Sec. 2. 36 MRSA §5111, sub-§3-C is enacted to read:**

36 **3-C. Individuals filing married joint return or surviving
38 spouses; tax years beginning 2006.** For tax years beginning on or
after January 1, 2006, for individuals filing married joint
40 returns or surviving spouses permitted to file a joint return:

42 A. If Maine taxable income is less than \$24,000, that tax
is \$0;

44 B. If Maine taxable income is at least \$24,000 but less
46 than \$33,400, the tax is 2% of the excess over \$24,000; and

48 C. If Maine taxable income is \$33,400 or more, the tax is
\$188 plus 8.5% of the excess over \$33,400.

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2 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

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SUMMARY

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8 This bill eliminates the income tax on income less than
\$24,000 for heads of households and individuals filing joint
returns.