

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 2026

H.P. 1427

House of Representatives, February 23, 2006

**An Act To Implement Recommendations of the Study Commission
Regarding Liveable Wages Concerning Conformity with Federal
Tax Laws**

Reported by Representative LERMAN of Augusta for the Study Commission Regarding Liveable Wages pursuant to Resolve 2005, chapter 128.

Reference to the Committee on Taxation suggested and ordered printed under Joint Rule 218.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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

2 **Sec. 1. 36 MRSA §5126, first ¶**, as amended by PL 2001, c. 583, §16, is further
3 amended to read:

4 For income tax years beginning on or after January 1, 1998 but before January 1,
5 1999, a resident individual is allowed \$2,400 for each exemption that the individual
6 properly claims for the taxable year for federal income tax purposes, unless the taxpayer
7 is claimed as a dependent on another return. For income tax years beginning on or after
8 January 1, 1999 but before January 1, 2000, a resident individual is allowed \$2,750 for
9 each exemption that the individual properly claims for the taxable year for federal income
10 tax purposes, unless the taxpayer is claimed as a dependent on another return. For
11 income tax years beginning on or after January 1, 2000 but before January 1, 2006, a
12 resident individual is allowed \$2,850 for each exemption that the individual properly
13 claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed
14 as a dependent on another return. For income tax years beginning on or after January 1,
15 2006, a resident individual is allowed \$3,200 for each exemption that the individual
16 properly claims for the taxable year for federal income tax purposes, unless the taxpayer
17 is claimed as a dependent on another return.

18 **Sec. 2. 36 MRSA §5218, sub-§1**, as amended by PL 2005, c. 12, Pt. L, §2, is
19 further amended to read:

20 **1. Resident taxpayer.** A resident individual is allowed a credit against the tax
21 otherwise due under this Part in the amount of ~~25%~~ 100% of the federal tax credit
22 allowable for child and dependent care expenses in the same tax year, ~~except that for tax~~
23 ~~years beginning in 2003 to 2006, the applicable percentage is 21.5% instead of 25%.~~

24 **Sec. 3. 36 MRSA §5219-Y** is enacted to read:

25 **§5219-Y. Child tax credit**

26 A resident individual is allowed a credit against the tax otherwise due under this Part
27 in an amount equal to 100% of the federal child tax credit for each qualifying child under
28 17 years of age.

29 **SUMMARY**

30 This bill is a recommendation of the Study Commission Regarding Liveable Wages
31 established in Resolve 2005, chapter 128. The bill amends Maine's tax laws to achieve
32 conformity with federal tax laws regarding the child care credit, personal exemption and
33 child tax credit.