

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 2027

H.P. 1428

House of Representatives, February 23, 2006

**An Act To Implement Recommendations of the Study Commission
Regarding Liveable Wages Concerning the State Earned Income
Tax Credit**

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

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
earned income credit for the same taxable year, ~~except that for~~
12 ~~tax years beginning in 2003, 2004 and 2005, the applicable~~
percentage is 4.92% instead of 5%. ~~The credit may not reduce the~~
14 ~~state income tax to less than zero.~~

16 **SUMMARY**

18 This bill is a recommendation of the Study Commission
Regarding Liveable Wages. The bill expands the Maine earned
20 income tax credit by increasing it to 30% of the federal credit
and by making it refundable.