

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 157

H.P. 139

House of Representatives, January 12, 2007

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Lower the Income Tax

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative VAUGHAN of Durham.

1 **Constitutional amendment. Resolved:** Two thirds of each branch of the
2 Legislature concurring, that the following amendment to the Constitution of Maine be
3 proposed:

4 **Constitution, Art. IX, §24** is enacted to read:

5 **Section 24. Income tax rate reduction.** Taxes on personal income in this State may
6 not exceed the following.

7 **1. Maximum rates.** Maximum income tax rates on individuals may not exceed the
8 following amounts.

- 9 A. For income tax years beginning in 2008, the maximum rate of tax is 7.5%.
- 10 B. For income tax years beginning in 2009, the maximum rate of tax is 6.5%.
- 11 C. For income tax years beginning in 2010, the maximum rate of tax is 5.5%.
- 12 D. For income tax years beginning in 2011, the maximum rate of tax is 4.5%.
- 13 E. For income tax years beginning in 2012, the maximum rate of tax is 3.5%.

14 **2. Exemption amount.** In addition to any other exemptions and deductions
15 permitted by law, individuals filing married joint income tax returns are entitled to the
16 following exemptions. Persons filing as single taxpayers are entitled to exemptions equal
17 to 50% of the following amounts. Persons filing as heads of household are entitled to
18 exemptions equal to 75% of the following amounts.

- 19 A. For income tax years beginning in 2008, the exemption amount is \$4,000.
- 20 B. For income tax years beginning in 2009, the exemption amount is \$8,000.
- 21 C. For income tax years beginning in 2010, the exemption amount is \$12,000.
- 22 D. For income tax years beginning in 2011, the exemption amount is \$16,000.
- 23 E. For income tax years beginning in 2012, the exemption amount is \$20,000.

24 **3. Implementation.** The Legislature shall enact legislation to implement this
25 section.

26 ; and be it further

27 **Constitutional referendum procedure; form of question; effective date.**

28 **Resolved:** That the municipal officers of this State shall notify the inhabitants of their
29 respective cities, towns and plantations to meet, in the manner prescribed by law for
30 holding a statewide election, at a statewide election on the Tuesday following the first
31 Monday of November following the passage of this resolution, to vote upon the
32 ratification of the amendment proposed in this resolution by voting upon the following
33 question:

34 "Do you favor amending the Constitution of Maine to reduce over 5 years the
35 maximum individual income tax rate to 3.5% and to increase over 5 years the
36 income tax exemption to a maximum of \$20,000?"

37 The legal voters of each city, town and plantation shall vote by ballot on this question
38 and designate their choice by a cross or check mark placed within the corresponding

1 square below the word "Yes" or "No." The ballots must be received, sorted, counted and
2 declared in open ward, town and plantation meetings and returns made to the Secretary of
3 State in the same manner as votes for members of the Legislature. The Governor shall
4 review the returns and, if it appears that a majority of the legal votes are cast in favor of
5 the amendment, the Governor shall proclaim that fact without delay and the amendment
6 becomes part of the Constitution of Maine on the date of the proclamation; and be it
7 further

8 **Secretary of State shall prepare ballots. Resolved:** That the Secretary of
9 State shall prepare and furnish to each city, town and plantation all ballots, returns and
10 copies of this resolution necessary to carry out the purposes of this referendum.

11 **SUMMARY**

12 This constitutional resolution establishes a timetable for phasing in a reduction in the
13 maximum individual income tax rate to 3.5% over 5 years. It also phases in an income
14 tax exemption of up to \$20,000 over that same time period.