

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 881

S.P. 274

February 27, 2007

**An Act To Create a Tax Break for Families That Make Less Than
\$25,000 Annually**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator SNOWE-MELLO of Androscoggin.
Cosponsored by Senators: DOW of Lincoln, NASS of York, PLOWMAN of Penobscot.

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

2 **Sec. 1. 36 MRSA §5111, sub-§1-B**, as enacted by PL 1999, c. 731, Pt. T, §3, is
3 amended to read:

4 **1-B. Single individuals and married persons filing separate returns; tax years**
5 **2002 to 2006.** For tax years beginning on or after January 1, 2002 but before January 1,
6 2007, for single individuals and married persons filing separate returns:

7 If Maine Taxable income is:	The tax is:
8 Less than \$4,200	2% of the Maine taxable income
9 At least \$4,200 but less than \$8,350	\$84 plus 4.5% of the excess over \$4,200
10 At least \$8,350 but less than \$16,700	\$271 plus 7% of the excess over \$8,350
11 \$16,700 or more	\$856 plus 8.5% of the excess over
12	\$16,700

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

14 **1-C. Single individuals and married persons filing separate returns; tax years**
15 **beginning 2007.** For tax years beginning on or after January 1, 2007, for single
16 individuals and married persons filing separate returns:

17 <u>If Maine Taxable income is:</u>	<u>The tax is:</u>
18 <u>Less than \$10,800</u>	<u>2% of the Maine taxable income</u>
19 <u>At least \$10,800 but less than \$15,500</u>	<u>\$204 plus 4.5% of the excess over</u> 20 <u>\$10,800</u>
21 <u>At least \$15,500 but less than \$25,000</u>	<u>\$443 plus 7% of the excess over \$15,500</u>
22 <u>\$25,000 or more</u>	<u>\$1,108 plus 8.5% of the excess over</u> 23 <u>\$25,000</u>

24 **Sec. 3. 36 MRSA §5111, sub-§2-B**, as enacted by PL 1999, c. 731, Pt. T, §5, is
25 amended to read:

26 **2-B. Heads of households; tax years 2002 to 2006.** For tax years beginning on or
27 after January 1, 2002 but before January 1, 2007, for unmarried individuals or legally
28 separated individuals who qualify as heads of households:

29 If Maine Taxable income is:	The tax is:
30 Less than \$6,300	2% of the Maine taxable income
31 At least \$6,300 but less than \$12,500	\$126 plus 4.5% of the excess over \$6,300
32 At least \$12,500 but less than \$25,050	\$405 plus 7% of the excess over \$12,500
33 \$25,050 or more	\$1,284 plus 8.5% of the excess over
34	\$25,050

35 **Sec. 4. 36 MRSA §5111, sub-§2-C** is enacted to read:

1 **2-C. Heads of households; tax years beginning 2007.** For tax years beginning on
2 or after January 1, 2007, for unmarried individuals or legally separated individuals who
3 qualify as heads of households:

4 <u>If Maine Taxable income is:</u>	5 <u>The tax is:</u>
6 <u>Less than \$13,200</u>	7 <u>2% of the Maine taxable income</u>
8 <u>At least \$13,200 but less than \$20,250</u>	9 <u>\$264 plus 4.5% of the excess over</u> 10 <u>\$13,200</u>
11 <u>At least \$20,250 but less than \$34,500</u>	12 <u>\$581 plus 7% of the excess over \$20,250</u>
13 <u>\$34,500 or more</u>	14 <u>\$1,579 plus 8.5% of the excess over</u> 15 <u>\$34,500</u>

16 **Sec. 5. 36 MRSA §5111, sub-§3-B**, as enacted by PL 1999, c. 731, Pt. T, §7, is
17 amended to read:

18 **3-B. Individuals filing married joint return or surviving spouses; tax years 2002**
19 **to 2006.** For tax years beginning on or after January 1, 2002 but before January 1, 2007,
20 for individuals filing married joint returns or surviving spouses permitted to file a joint
21 return:

22 <u>If Maine Taxable income is:</u>	23 <u>The tax is:</u>
24 <u>Less than \$8,400</u>	25 <u>2% of the Maine taxable income</u>
26 <u>At least \$8,400 but less than \$16,700</u>	27 <u>\$168 plus 4.5% of the excess over \$8,400</u>
28 <u>At least \$16,700 but less than \$33,400</u>	29 <u>\$542 plus 7% of the excess over \$16,700</u>
30 <u>\$33,400 or more</u>	31 <u>\$1,711 plus 8.5% of the excess over</u> 32 <u>\$33,400</u>

33 **Sec. 6. 36 MRSA §5111, sub-§3-C** is enacted to read:

34 **3-C. Individuals filing married joint return or surviving spouses; tax years**
35 **beginning 2007.** For tax years beginning on or after January 1, 2007, for individuals
36 filing married joint returns or surviving spouses permitted to file a joint return:

37 <u>If Maine Taxable income is:</u>	38 <u>The tax is:</u>
39 <u>Less than \$15,500</u>	40 <u>2% of the Maine taxable income</u>
41 <u>At least \$15,500 but less than \$25,000</u>	42 <u>\$310 plus 4.5% of the excess over</u> 43 <u>\$15,500</u>
44 <u>At least \$25,000 but less than \$44,000</u>	45 <u>\$738 plus 7% of the excess over \$25,000</u>
46 <u>\$44,000 or more</u>	47 <u>\$2,068 plus 8.5% of the excess over</u> 48 <u>\$44,000</u>

49 **Sec. 7. 36 MRSA §5403**, as repealed and replaced by PL 1999, c. 731, Pt. T, §10
50 and affected by §11, is amended to read:

