

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 95

H.P. 78

House of Representatives, January 16, 2015

An Act To Provide Income Tax Relief

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative STUCKEY of Portland.

Cosponsored by Representatives: HAMANN of South Portland, SANBORN of Gorham.

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

2 **Sec. 1. 5 MRSA §1518-A**, as amended by PL 2011, c. 692, §1, is repealed.

3 **Sec. 2. 5 MRSA §1536, sub-§1**, as amended by PL 2013, c. 1, Pt. E, §2, is further
4 amended to read:

5 **1. Final priority reserves.** After the transfers to the State Contingent Account
6 pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section
7 1511 and the transfers pursuant to section 1522, the State Controller shall transfer at the
8 close of each fiscal year from the unappropriated surplus of the General Fund an amount
9 equal to the amount available from the unappropriated surplus after all required
10 deductions of appropriations, budgeted financial commitments and adjustments
11 considered necessary by the State Controller have been made as follows:

- 12 A. ~~Forty-eight~~ Sixty-eight percent to the stabilization fund;
- 13 C. Thirteen percent to the Reserve for General Fund Operating Capital;
- 14 D. Nine percent to the Retiree Health Insurance Internal Service Fund established in
15 section 1519 to be used solely for the purpose of amortizing the unfunded actuarial
16 liability associated with future health benefits; and
- 17 E. Ten percent to the Capital Construction and Improvements Reserve Fund
18 established in section 1516-A; and
- 19 F. ~~Twenty percent to the Tax Relief Fund for Maine Residents established in section~~
20 ~~1518-A.~~

21 **Sec. 3. 5 MRSA §1536, sub-§3**, as enacted by PL 2005, c. 2, Pt. A, §5 and
22 affected by §14, is repealed.

23 **Sec. 4. 36 MRSA §5111, sub-§1-D**, as enacted by PL 2013, c. 368, Pt. Q, §4, is
24 amended to read:

25 **1-D. Single individuals and married persons filing separate returns; tax years**
26 **2014 and 2015.** For tax years beginning on or after January 1, 2014 and ending before
27 January 1, 2016, for single individuals and married persons filing separate returns:

28 If Maine Taxable income is:	The tax is:
29 At least \$5,200 but less than \$20,900	6.5% of the excess over \$5,200
30 \$20,900 or more	\$1,021 plus 7.95% of the excess over
31	\$20,900

32 **Sec. 5. 36 MRSA §5111, sub-§2-D**, as enacted by PL 2013, c. 368, Pt. Q, §6, is
33 amended to read:

34 **2-D. Heads of households; tax years 2014 and 2015.** For tax years beginning on or
35 after January 1, 2014 and ending before January 1, 2016, for unmarried individuals or
36 legally separated individuals who qualify as heads of households:

1	If Maine Taxable income is:	The tax is:
2	At least \$7,850 but less than \$31,350	6.5% of the excess over \$7,850
3	\$31,350 or more	\$1,528 plus 7.95% of the excess over
4		\$31,350

5 **Sec. 6. 36 MRSA §5111, sub-§3-D**, as enacted by PL 2013, c. 368, Pt. Q, §8, is
6 amended to read:

7 **3-D. Individuals filing married joint return or surviving spouses; tax years 2014**
8 **and 2015.** For tax years beginning on or after January 1, 2014 and ending before January
9 1, 2016, for individuals filing married joint returns or surviving spouses permitted to file
10 a joint return:

11	If Maine Taxable income is:	The tax is:
12	At least \$10,450 but less than \$41,850	6.5% of the excess over \$10,450
13	\$41,850 or more	\$2,041 plus 7.95% of the excess over
14		\$41,850

15 **Sec. 7. 36 MRSA §5111, sub-§6** is enacted to read:

16 **6. Balancing of tax brackets.** For tax years beginning on or after January 1, 2016,
17 taxes assessed under this section are calculated using income tax bracket thresholds
18 calculated under this subsection.

19 A. By October 1, 2015 and every 5 calendar years thereafter, the assessor shall
20 calculate income tax bracket thresholds for single individuals and married individuals
21 filing separately, married individuals filing jointly and surviving spouses and heads
22 of households that result in the balancing of individual income taxes so that the
23 following percentages of tax filers for each filing status pay the following top
24 marginal tax rates ranked from lowest taxable income to highest taxable income:

- 25 (1) With a top marginal tax rate of 0%, 18% of filers;
- 26 (2) With a top marginal tax rate of 2%, 22% of filers;
- 27 (3) With a top marginal tax rate of 4.5%, 22% of filers;
- 28 (4) With a top marginal tax rate of 7%, 17% of filers;
- 29 (5) With a top marginal tax rate of 8.5%, 13% of filers; and
- 30 (6) With a top marginal tax rate of 10%, 8% of filers.

31 B. For purposes of making the calculation under paragraph A, the following
32 provisions apply.

- 33 (1) When determining the percentage of filers, the assessor shall use the average
34 number of Maine resident filers for the 5 calendar years prior to the calculation.
- 35 (2) The percentage of filers must be determined for each filing status of single
36 individuals and married individuals filing separately; married individuals filing
37 jointly and surviving spouses; and heads of households.

