

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

SECOND REGULAR SESSION-2016

Legislative Document

No. 1519

H.P. 1044

House of Representatives, January 6, 2016

**An Act To Amend the Tax Laws To Strengthen Charitable
Institutions, Encourage Home Ownership and Manage Medical
Expenses**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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 POULIOT of Augusta.
Cosponsored by President THIBODEAU of Waldo and
Representatives: ESPLING of New Gloucester, FREDETTE of Newport, GIDEON of
Freeport, McCABE of Skowhegan, SKOLFIELD of Weld, WINSOR of Norway, Senators:
HILL of York, McCORMICK of Kennebec.

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

2 **Sec. 1. 36 MRSA §5122, sub-§1, ¶JJ**, as enacted by PL 2015, c. 267, Pt. DD,
3 §8, is amended to read:

4 JJ. For tax years beginning on or after January 1, 2016, an amount equal to the
5 taxpayer base multiplied by the following fraction:

6 (1) For single individuals and married persons filing separate returns, the
7 numerator is the taxpayer's Maine adjusted gross income less \$70,000, except
8 that the numerator may not be less than zero, and the denominator is \$75,000. In
9 no case may the fraction contained in this subparagraph produce a result that is
10 more than one. The \$70,000 amount used to calculate the numerator in this
11 subparagraph must be adjusted for inflation in accordance with section 5403,
12 subsection ~~3~~ 4;

13 (2) For individuals filing as heads of households, the numerator is the taxpayer's
14 Maine adjusted gross income less \$105,000, except that the numerator may not
15 be less than zero, and the denominator is \$112,500. In no case may the fraction
16 contained in this subparagraph produce a result that is more than one. The
17 \$105,000 amount used to calculate the numerator in this subparagraph must be
18 adjusted for inflation in accordance with section 5403, subsection ~~3~~ 4; or

19 (3) For individuals filing married joint returns or surviving spouses, the
20 numerator is the taxpayer's Maine adjusted gross income less \$140,000, except
21 that the numerator may not be less than zero, and the denominator is \$150,000.
22 In no case may the fraction contained in this subparagraph produce a result that is
23 more than one. The \$140,000 amount used to calculate the numerator in this
24 subparagraph must be adjusted for inflation in accordance with section 5403,
25 subsection ~~3~~ 4.

26 For purposes of this paragraph, "taxpayer base" means either the taxpayer's
27 applicable standard deduction amount for the taxable year determined under section
28 5124-B or, if itemized deductions are claimed, the taxpayer's itemized deductions
29 claimed for the taxable year determined under section 5125.

30 This paragraph does not apply to a resident individual who has claimed itemized
31 deductions from federal adjusted gross income in determining the individual's federal
32 taxable income for the taxable year determined under section 5125.

33 **Sec. 2. 36 MRSA §5125, sub-§2**, as amended by PL 2013, c. 368, Pt. TT, §10
34 and affected by §20, is further amended to read:

35 **2. Spouses.** Spouses, both of whom are required to file returns under this Part, are
36 allowed to claim itemized deductions from Maine adjusted gross income only if both do
37 so. Their total itemized deductions from federal adjusted gross income, as modified by
38 subsection 3, may be taken by either spouse or divided between them, as they may elect,
39 if their federal income tax is determined on a joint return but their tax under this Part is
40 determined on separate returns. ~~The total itemized deductions from Maine adjusted gross~~
41 ~~income claimed on a return may not exceed the limitation amount in subsection 4.~~

1 **Sec. 3. 36 MRSA §5125, sub-§4**, as amended by PL 2013, c. 595, Pt. T, §1 and
2 affected by §2, is repealed.

3 **Sec. 4. 36 MRSA §5403, sub-§3**, as enacted by PL 2015, c. 267, Pt. DD, §33, is
4 repealed.

5 **SUMMARY**

6 This bill allows a resident individual who itemizes deductions in determining federal
7 adjusted gross income to claim those deductions to the full extent allowed under federal
8 law in determining Maine adjusted gross income.