



130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 495

H.P. 358

House of Representatives, February 19, 2021

An Act To Improve Income Tax Progressivity by Establishing New Top Individual Income Tax Rates

Received by the Clerk of the House on February 17, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative OSHER of Orono. Cosponsored by Senator CHIPMAN of Cumberland and Representatives: COLLINGS of Portland, COPELAND of Saco, GRAMLICH of Old Orchard Beach, MORALES of South Portland, RECKITT of South Portland, ROEDER of Bangor, TEPLER of Topsham, WILLIAMS of Bar Harbor.

1	Be it enacted by the People of the State o	f Maine as follows:
2	8 / 8	, as enacted by PL 2015, c. 267, Pt. DD, §3, is
3	amended to read:	
4	8	l persons filing separate returns; tax years
5		ears beginning on or after January 1, 2017 but
6	U	Is and married persons filing separate returns:
7	If Maine taxable income is:	The tax is:
8	Less than \$21,050	5.8% of the Maine taxable income
9 10	At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over \$21,050
10	\$50,000 or more	\$3,175 plus 7.15% of the excess over
12		\$50,000
13	Sec. 2. 36 MRSA §5111, sub-§1-G	is enacted to read:
14		l persons filing separate returns beginning
15		r January 1, 2021, for single individuals and
16	married persons filing separate returns:	
17	If Maine taxable income is:	<u>The tax is:</u>
18	Less than \$21,050	5.8% of the Maine taxable income
19 20	At least \$21,050 but less than \$50,000	<u>\$1,221 plus 6.75% of the excess over</u>
20 21	At least \$50,000 but less than \$100,000	<u>\$21,050</u> \$3,175 plus 8.35% of the excess over
21	<u>At least \$50,000 but less than \$100,000</u>	\$100,000
23	\$100,000 or more	$\frac{57,000}{57,350}$ plus 11.15% of the excess over
24		<u>\$100,000</u>
25 26	Sec. 3. 36 MRSA §5111, sub-§2-F, as enacted by PL 2015, c. 267, Pt. DD, §5, is amended to read:	
27	2-F. Heads of households; tax years	beginning from 2017 to 2020. For tax years
28	e e	fore January 1, 2021, for unmarried individuals
29	or legally separated individuals who qualify	as heads of households:
30	If Maine taxable income is:	The tax is:
31	Less than \$31,550	5.8% of the Maine taxable income
32 33	At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over
33 34	\$75,000 or more	\$31,550 \$4,763 plus 7.15% of the excess over
35	\$75,000 01 more	\$75,000
36	Sec. 4. 36 MRSA §5111, sub-§2-G	is enacted to read:
37		beginning 2021. For tax years beginning on or
38	after January 1, 2021, for unmarried individuals or legally separated individuals who	
39	qualify as heads of households:	
40	If Maine taxable income is:	The tax is:
41	Less than \$31,550	5.8% of the Maine taxable income

1 2	At least \$31,550 but less than \$75,000	<u>\$1,830 plus 6.75% of the excess over</u> \$31,550		
3	At least \$75,000 but less than \$150,000	\$4,763 plus 8.35% of the excess over		
4	¢150.000	<u>\$75,000</u>		
5 6	<u>\$150,000 or more</u>	<u>\$11,025 plus 11.15% of the excess over</u> <u>\$150,000</u>		
7	Sec. 5. 36 MRSA §5111, sub-§3-F	, as enacted by PL 2015, c. 267, Pt. DD, §7, is		
8	amended to read:			
9		nt returns or surviving spouses; tax years		
10		ears beginning on or after January 1, 2017 but		
11 12	before January 1, 2021, for individuals fill permitted to file a joint return:	ing married joint returns or surviving spouses		
13	If Maine taxable income is:	The tax is:		
14	Less than \$42,100	5.8% of the Maine taxable income		
15	At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over		
16		\$42,100		
17 18	\$100,000 or more	\$6,350 plus 7.15% of the excess over \$100,000		
19 Sec. 6. 36 MRSA §5111, sub-§3-G is enacted to read:				
19	Sec. 6. 36 MRSA §5111, sub-§3-0	is enacted to read:		
19 20		is enacted to read: nt returns or surviving spouses; tax years		
20 21	<u>3-G. Individuals filing married joi</u> beginning 2021. For tax years beginning o	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing		
20	3-G. Individuals filing married joi	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing		
20 21	<u>3-G. Individuals filing married joi</u> beginning 2021. For tax years beginning o	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing		
20 21 22 23 24	<u>3-G. Individuals filing married join</u> beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return:		
20 21 22 23 24 25	<u>3-G. Individuals filing married join</u> beginning 2021. For tax years beginning o married joint returns or surviving spouses p If Maine taxable income is:	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over		
20 21 22 23 24 25 26	3-G. Individuals filing married joi beginning 2021. For tax years beginning o married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100		
20 21 22 23 24 25 26 27	<u>3-G. Individuals filing married join</u> beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over		
20 21 22 23 24 25 26 27 28	3-G. Individuals filing married joi beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$100,000 but less than \$200,000	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000		
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20 21 22 23 24 25 26 27 28	3-G. Individuals filing married joi beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$100,000 but less than \$200,000	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000		
20 21 22 23 24 25 26 27 28 29	3-G. Individuals filing married joi beginning 2021. For tax years beginning o married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$100,000 but less than \$200,000 \$200,000 or more	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over		
20 21 22 23 24 25 26 27 28 29 30 31 24	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$100,000 but less than \$200,000 \$200,000 or more SUM This bill increases the tax rate on the c	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000 MARY urrent top bracket under the individual income		
20 21 22 23 24 25 26 27 28 29 30 31 24 25	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$100,000 but less than \$200,000 \$200,000 or more SUM This bill increases the tax rate on the c tax from 7.15% to 8.35% and adds a new b	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000 IMARY urrent top bracket under the individual income racket of 11.15% on taxable income exceeding		
20 21 22 23 24 25 26 27 28 29 30 31 24	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses p If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$42,100 but less than \$200,000 \$200,000 or more SUM This bill increases the tax rate on the c tax from 7.15% to 8.35% and adds a new b \$100,000 for single individuals and married	nt returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return: The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000 MARY urrent top bracket under the individual income		