

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 667

H.P. 436

House of Representatives, February 16, 2023

An Act to Impose a Tax Surcharge on Certain Incomes

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 COLLINGS of Portland.
Cosponsored by Senator GROHOSKI of Hancock and
Representatives: DOUDERA of Camden, LANDRY of Farmington, O'CONNELL of Brewer,
O'NEIL of Saco, PERRY of Bangor, SKOLD of Portland, ZAGER of Portland, Senator:
President JACKSON of Aroostook.

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

2 **Sec. 1. 36 MRSA §5111, sub-§7** is enacted to read:

3 **7. Income tax surcharge to fund education and rural economic development.** An
4 income tax surcharge is established and administered as follows.

5 A. For tax years beginning on or after January 1, 2024, in addition to any other tax
6 imposed by this chapter, a surcharge at the rate of 3% is imposed on that portion of the
7 taxpayer's Maine taxable income in excess of \$1,000,000 and not more than
8 \$10,000,000 and 6% on that portion of the taxpayer's Maine taxable income in excess
9 of \$10,000,000.

10 B. Seventy-five percent of the revenue collected under this subsection must be used to
11 fund public kindergarten to grade 12 education. Twenty-five percent of the revenue
12 collected under this subsection must be used to fund rural economic development.

13 **SUMMARY**

14 This bill establishes an income tax surcharge of 3% on taxable income in excess of
15 \$1,000,000 and 6% on taxable income in excess of \$10,000,000 and requires that the
16 revenue collected from the surcharge must be spent on public kindergarten to grade 12
17 education and rural economic development.