

# MAINE STATE LEGISLATURE

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Date: 4/5/24 Minority

L.D. 1231  
(Filing No. H- 925)

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 779, L.D. 1231, "An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets"

Amend the bill by striking out everything after the enacting clause and inserting the following:

**Sec. 1. 36 MRSA §5111, sub-§1-F**, as enacted by PL 2015, c. 267, Pt. DD, §3, is amended to read:

**1-F. Single individuals and married persons filing separate returns; tax years beginning from 2017 to 2024.** For tax years beginning on or after January 1, 2017 but before January 1, 2025, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
Less than \$21,050	5.8% of the Maine taxable income
At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over \$21,050
\$50,000 or more	\$3,175 plus 7.15% of the excess over \$50,000

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

**1-G. Single individuals and married persons filing separate returns; tax years beginning 2025.** For tax years beginning on or after January 1, 2025, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
<u>Less than \$41,600</u>	<u>5.8% of the Maine taxable income</u>
<u>At least \$41,600 but less than \$85,000</u>	<u>\$2,413 plus 6.75% of the excess over \$41,600</u>
<u>At least \$85,000 but less than \$144,500</u>	<u>\$5,343 plus 7.15% of the excess over \$85,000</u>
<u>At least \$144,500 but less than \$205,000</u>	<u>\$9,597 plus 7.55% of the excess over \$144,500</u>

**COMMITTEE AMENDMENT**

1                 \$205,000 or more                                 \$14,165 plus 7.15% of the excess over  
2   \$205,000

3                 **Sec. 3. 36 MRSA §5111, sub-§2-F**, as enacted by PL 2015, c. 267, Pt. DD, §5, is  
4 amended to read:

5                 **2-F. Heads of households; tax years beginning from 2017 to 2024.** For tax years  
6 beginning on or after January 1, 2017 but before January 1, 2025, for unmarried individuals  
7 or legally separated individuals who qualify as heads of households:

8	If Maine taxable income is:	The tax is:
9	Less than \$31,550	5.8% of the Maine taxable income
10	At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over
11		\$31,550
12	\$75,000 or more	\$4,763 plus 7.15% of the excess over
13		\$75,000

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

15                 **2-G. Heads of households; tax years beginning 2025.** For tax years beginning on or  
16 after January 1, 2025, for unmarried individuals or legally separated individuals who  
17 qualify as heads of households:

18	<u>If Maine taxable income is:</u>	<u>The tax is:</u>
19	<u>Less than \$62,400</u>	<u>5.8% of the Maine taxable income</u>
20	<u>At least \$62,400 but less than \$127,500</u>	<u>\$3,619 plus 6.75% of the excess over</u>
21		<u>\$62,400</u>
22	<u>At least \$127,500 but less than \$216,750</u>	<u>\$8,013 plus 7.15% of the excess over</u>
23		<u>\$127,500</u>
24	<u>At least \$216,750 but less than \$307,500</u>	<u>\$14,394 plus 7.55% of the excess over</u>
25		<u>\$216,750</u>
26	<u>\$307,500 or more</u>	<u>\$21,246 plus 7.15% of the excess over</u>
27		<u>\$307,500</u>

28                 **Sec. 5. 36 MRSA §5111, sub-§3-F**, as enacted by PL 2015, c. 267, Pt. DD, §7, is  
29 amended to read:

30                 **3-F. Individuals filing married joint returns or surviving spouses; tax years**  
31 **beginning from 2017 to 2024.** For tax years beginning on or after January 1, 2017 but  
32 before January 1, 2025, for individuals filing married joint returns or surviving spouses  
33 permitted to file a joint return:

34	If Maine taxable income is:	The tax is:
35	Less than \$42,100	5.8% of the Maine taxable income
36	At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over
37		\$42,100
38	\$100,000 or more	\$6,350 plus 7.15% of the excess over
39		\$100,000

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

41                 **3-G. Individuals filing married joint returns or surviving spouses; tax years**  
42 **beginning 2025.** For tax years beginning on or after January 1, 2025, for individuals filing  
43 married joint returns or surviving spouses permitted to file a joint return:





# 131st MAINE LEGISLATURE

LD 1231

LR 1161(03)

An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets

Fiscal Note for Bill as Amended by Committee Amendment "B" (H-925)

Committee: Taxation

Fiscal Note Required: Yes

## Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$19,570,000	\$56,810,000	\$59,422,500
<b>Revenue</b>				
General Fund	\$0	(\$19,570,000)	(\$56,810,000)	(\$59,422,500)
Other Special Revenue Funds	\$0	(\$1,030,000)	(\$2,990,000)	(\$3,127,500)

### Fiscal Detail and Notes

This bill expands the income levels subject to current individual income tax brackets resulting in lower income tax revenue at current tax rates and adds new tax brackets at higher income levels to phase out the benefit of the income tax reduction from expanding the current brackets. The changes take effect for tax years beginning on or after January 1, 2025 and will decrease General Fund revenue by \$19,570,000 and decrease Local Government Fund revenue by \$1,030,000 in fiscal year 2024-25.

Any additional costs to the Department of Administrative and Financial Services, Bureau of Revenue Services to implement the changes to the individual income tax are expected to be minor and can be absorbed within existing budgeted resources.