MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1671

H.P. 1069

House of Representatives, April 13, 2023

An Act to Reduce the Income Tax to 4.5 Percent on the Lowest Tax Bracket and Remove Low-income Families from Taxation

Reference to the Committee on Taxation suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative DUCHARME of Madison.

Cosponsored by Senator BENNETT of Oxford and

Representatives: ARATA of New Gloucester, BLIER of Buxton, CARLOW of Buxton,

CARMICHAEL of Greenbush, HASENFUS of Readfield, MILLETT of Waterford, Senators:

BALDACCI of Penobscot, FARRIN of Somerset.

1	Be it enacted by the People of the State of Maine as follows:		
2 3	Sec. 1. 36 MRSA §5111, sub-§1-Famended to read:	, as enacted by PL 2015, c. 267, Pt. DD, §3, is	
4 5 6	1-F. Single individuals and married persons filing separate returns; tax years beginning from 2017 to 2022. For tax years beginning on or after January 1, 2017 but before January 1, 2023, for single individuals and married persons filing separate returns:		
7 8 9 10 11 12	If Maine taxable income is: Less than \$21,050 At least \$21,050 but less than \$50,000 \$50,000 or more	The tax is: 5.8% of the Maine taxable income \$1,221 plus 6.75% of the excess over \$21,050 \$3,175 plus 7.15% of the excess over \$50,000	
13	Sec. 2. 36 MRSA §5111, sub-§1-G is enacted to read:		
14 15 16	1-G. Single individuals and married persons filing separate returns; tax years beginning 2023. For tax years beginning on or after January 1, 2023, for single individuals and married persons filing separate returns:		
17 18 19 20 21	If Maine taxable income is: Less than \$23,000 At least \$23,000 but less than \$54,450 \$50,000 or more	The tax is: 4.5% of the Maine taxable income \$1,035 plus 6.75% of the excess over \$23,000 \$3,158 plus 7.15% of the excess over	
22 23 24		\$50,000 as enacted by PL 2015, c. 267, Pt. DD, §5, is	
25 26 27	2-F. Heads of households; tax years beginning from 2017 to 2022. For tax years beginning on or after January 1, 2017 but before January 1, 2023, for unmarried individuals or legally separated individuals who qualify as heads of households:		
28 29 30 31 32 33	If Maine taxable income is: Less than \$31,550 At least \$31,550 but less than \$75,000 \$75,000 or more	The tax is: 5.8% of the Maine taxable income \$1,830 plus 6.75% of the excess over \$31,550 \$4,763 plus 7.15% of the excess over \$75,000	
34	Sec. 4. 36 MRSA §5111, sub-§2-G	is enacted to read:	
35 36 37	2-G. Heads of households; tax years beginning 2023. For tax years beginning on or after January 1, 2023, for unmarried individuals or legally separated individuals who qualify as heads of households:		
38 39 40 41	If Maine taxable income is: Less than \$34,500 At least \$34,500 but less than \$81,700	The tax is: 4.5% of the Maine taxable income \$1,552 plus 6.75% of the excess over \$34,500	

1 2	<u>\$81,700 or more</u>	\$4,738 plus 7.15% of the excess over \$81,700	
3 4	Sec. 5. 36 MRSA §5111, sub-§3-F, as enacted by PL 2015, c. 267, Pt. DD, §7, is amended to read:		
5 6 7 8	3-F. Individuals filing married joint returns or surviving spouses; tax years beginning from 2017 to 2022. For tax years beginning on or after January 1, 2017, but before January 1, 2023, for individuals filing married joint returns or surviving spouses permitted to file a joint return:		
9 .0 .1 .2	If Maine taxable income is: Less than \$42,100 At least \$42,100 but less than \$100,000	The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100	
3	\$100,000 or more	\$6,350 plus 7.15% of the excess over \$100,000	
.5	Sec. 6. 36 MRSA §5111, sub-§3-G is enacted to read:		
16 17 18	3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2023. For tax years beginning on or after January 1, 2023, for individuals filing married joint returns or surviving spouses permitted to file a joint return:		
9 20 21 22 23 24	If Maine taxable income is: Less than \$46,000 At least \$46,000 but less than \$108,900 \$108,900 or more	The tax is: 4.5% of the Maine taxable income \$2,070 plus 6.75% of the excess over \$46,000 \$6,316 plus 7.15% of the excess over \$108,900	
25	SUMMARY		
26 27 28 29	This bill decreases the rate of tax imposed on the lowest bracket of individual income for single individuals and married persons filing separate returns, heads of households and persons filing married joint returns from 5.8% to 4.5%. The decreased rate applies to tax years beginning on or after January 1, 2023.		