

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND ELEVENTH LEGISLATURE

FIRST REGULAR SESSION
December 1, 1982 to June 24, 1983
Chapters 1-452

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J.S. McCarthy Co., Inc.
Augusta, Maine
1983

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

and

FIRST SPECIAL SESSION

of the

ONE HUNDRED AND ELEVENTH LEGISLATURE

1983

CHAPTER 3

S.P. 34 - L.D. 96

AN ACT to Remove the Retroactive
Provisions of the Income Tax Indexing Law.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the people of the State of Maine have by referendum approved a measure to index the state income tax to account for inflation; and

Whereas, that measure becomes effective on January 15, 1983; and

Whereas, that measure is retroactive to 1981; and

Whereas, the Legislature finds that the budgets that were passed for the 1982 and 1983 fiscal years were necessary for the proper operation of government and the well-being of the citizens of this State; and

Whereas, the income tax revenues collected for those years, though subject to inflation, were necessary to the proper operation of state and local governments; and

Whereas, the Legislature finds that it is necessary to offset the effects of indexing for 1981 and 1982; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §5111, as amended by 1982, I.B. 2, §1, is further amended by adding at the end before the last paragraph the following:

The rate table for tax years beginning in 1981 as adjusted under chapter 841 is changed and the following rate table shall apply:

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>1% of the taxable income</u>
<u>\$2,000 but not over</u>	<u>\$20 + 2% of excess of</u>
<u> \$4,000</u>	<u> \$2,000</u>
<u>\$4,000 but not over</u>	<u>\$60 + 3% of excess over</u>
<u> \$6,000</u>	<u> \$4,000</u>
<u>\$6,000 but not over</u>	<u>\$120 + 6% of excess over</u>
<u> \$8,000</u>	<u> \$6,000</u>
<u>\$8,000 but not over</u>	<u>\$240 + 7% of excess over</u>
<u> \$10,000</u>	<u> \$8,000</u>
<u>\$10,000 but not over</u>	<u>\$380 + 8% of excess over</u>
<u> \$15,000</u>	<u> \$10,000</u>
<u>\$15,000 but not over</u>	<u>\$780 + 9.2% of excess</u>
<u> \$25,000</u>	<u>over \$15,000</u>
<u>\$25,000 or more</u>	<u>\$1,700 + 10% of excess</u>
	<u>over \$25,000</u>

The rate table for tax years beginning in 1982 as adjusted under chapter 841 is changed and the following rate table shall apply:

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>1% of the taxable income</u>
<u>\$2,000 but not over</u>	<u>\$20 + 2% of excess of</u>
<u> \$4,000</u>	<u> \$2,000</u>
<u>\$4,000 but not over</u>	<u>\$60 + 3% of excess over</u>
<u> \$6,000</u>	<u> \$4,000</u>
<u>\$6,000 but not over</u>	<u>\$120 + 6% of excess over</u>
<u> \$8,000</u>	<u> \$6,000</u>
<u>\$8,000 but not over</u>	<u>\$240 + 7% of excess over</u>
<u> \$10,000</u>	<u> \$8,000</u>
<u>\$10,000 but not over</u>	<u>\$380 + 8% of excess over</u>
<u> \$15,000</u>	<u> \$10,000</u>
<u>\$15,000 but not over</u>	<u>\$780 + 9.2% of excess</u>
<u> \$25,000</u>	<u>over \$15,000</u>
<u>\$25,000 or more</u>	<u>\$1,700 + 10% of excess</u>
	<u>over \$25,000</u>

The rate table subject to adjustment for tax years beginning in 1983 shall be the following:

<u>If the taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,000</u>	<u>1% of the taxable income</u>
<u>\$2,000 but not over</u>	<u>\$20 + 2% of excess of</u>
<u> \$4,000</u>	<u> \$2,000</u>
<u>\$4,000 but not over</u>	<u>\$60 + 3% of excess over</u>
<u> \$6,000</u>	<u> \$4,000</u>
<u>\$6,000 but not over</u>	<u>\$120 + 6% of excess over</u>
<u> \$8,000</u>	<u> \$6,000</u>
<u>\$8,000 but not over</u>	<u>\$240 + 7% of excess over</u>
<u> \$10,000</u>	<u> \$8,000</u>
<u>\$10,000 but not over</u>	<u>\$380 + 8% of excess over</u>
<u> \$15,000</u>	<u> \$10,000</u>
<u>\$15,000 but not over</u>	<u>\$780 + 9.2% of excess</u>
<u> \$25,000</u>	<u>over \$15,000</u>
<u>\$25,000 or more</u>	<u>\$1,700 + 10% of excess</u>
	<u>over \$25,000</u>

Sec. 2. 36 MRSA §5124-A, sub-§4 is enacted to read:

4. Indexing adjustments. The standard deduction under this section, as adjusted under chapter 841 is changed and the following amounts shall apply for tax years beginning in 1981 or 1982 and shall be the amounts subject to adjustment for tax years beginning in 1983 under chapter 841:

A. Single persons, the higher of a low-income allowance of \$1,700 or 16% of his Maine adjusted gross income up to a maximum deduction of \$2,400;

B. Married persons filing joint returns or a surviving spouse, the higher of a low-income allowance of \$2,100 or 16% of Maine adjusted gross income up to a maximum deduction of \$2,800; and

C. A married person filing a separate return, the higher of a low-income allowance of \$1,050 or 16% of Maine adjusted gross income up to a maximum deduction of \$1,400, except that, if either spouse uses the low-income allowance, both must use it.

Sec. 3. 36 MRSA §5126, as amended by 1982 I.B. 2, §3, is further amended by adding at the end the following:

The personal exemption as adjusted under chapter 841 is changed, and the amount of the personal exemption for tax years beginning in 1981 or 1982 and subject to adjustment for tax years beginning 1983 under chapter 841 is \$1,000.

Sec. 4. 36 MRSA §5143-A, sub-§4 is enacted to read:

4. Indexing adjustments. The amount of the standard deduction, subject to multiplication as provided in this section, as adjusted under chapter 841, is changed and the following amounts shall apply for tax years beginning in 1981 or 1982 and shall be the amounts subject to adjustment for tax years beginning in 1983 under chapter 841.

A. Single persons, the higher of a low-income allowance of \$1,700 or 16% of his federal adjusted gross income up to a maximum deduction of \$2,400;

B. Married persons filing joint returns or a surviving spouse, the higher of low-income allowance of \$2,100 or 16% of federal adjusted gross

income up to a maximum deduction of \$2,800; and

C. A married person filing a separate return, the higher of a low-income allowance of \$1,050 or 16% of federal adjusted gross income up to a maximum deduction of \$1,400, except that, if either spouse uses the low-income allowance, both must use it.

The nominal dollar amounts of this section are subject to annual adjustment under section 5403.

Sec. 5. 36 MRSA §5402, sub-§2, as amended by 1982 I.B. 2, §4, is repealed and the following enacted in its place:

2. Percentage adjustment factor. "Percentage adjustment factor" means 1/2 of the percentage increase in the Consumer Price Index for the 12-month period ending June 30th of the calendar year in which the current taxable year begins over the Consumer Price Index for the 12-month period ending June 30th of the immediately preceding year, expressed as a decimal rounded to the nearest one-thousandth.

Sec. 6. 36 MRSA §5403, sub-§3, as enacted by 1982 I.B. 2, §4, is further amended to read:

3. Married taxpayers and others filing joint returns. The inflation factor shall be multiplied by the dollar bracket amounts, as adjusted under this chapter in the immediately preceding taxable year, on the tax rate schedule for married taxpayers and widows and widowers, filing joint federal returns, up to and including the dollar bracket amount for taxable income not over \$30,000, as adjusted. In addition, the inflation factor shall be multiplied by the dollar bracket amount for taxable income of \$30,000, as adjusted.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective January 14, 1983.

CHAPTER 4

S.P. 72 - L.D. 178

AN ACT to Amend the Maine Guarantee
Authority Act to Allow for More
Expansive Development in the State.