

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Conformity with Federal Tax Laws**

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

**Sec. 1. 36 MRSA §5126, first ¶**, as amended by PL 2001, c. 583, §16, is further amended to read:

For income tax years beginning on or after January 1, 1998 but before January 1, 1999, a resident individual is allowed \$2,400 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. For income tax years beginning on or after January 1, 1999 but before January 1, 2000, a resident individual is allowed \$2,750 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. For income tax years beginning on or after January 1, 2000 but before January 1, 2006, a resident individual is allowed \$2,850 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. For income tax years beginning on or after January 1, 2006, a resident individual is allowed \$3,200 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return.

**Sec. 2. 36 MRSA §5218, sub-§1**, as amended by PL 2005, c. 12, Pt. L, §2, is further amended to read:

**1. Resident taxpayer.** A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of ~~25%~~100% of the federal tax credit allowable for child and dependent care expenses in the same tax year, ~~except that for tax years beginning in 2003 to 2006, the applicable percentage is 21.5% instead of 25%.~~

**Sec. 3. 36 MRSA §5219-Y** is enacted to read:

### **§ 5219-Y. Child tax credit**

A resident individual is allowed a credit against the tax otherwise due under this Part in an amount equal to 100% of the federal child tax credit for each qualifying child under 17 years of age.

## **SUMMARY**

This bill is a recommendation of the Study Commission Regarding Liveable Wages established in Resolve 2005, chapter 128. The bill amends Maine's tax laws to achieve conformity with federal tax laws regarding the child care credit, personal exemption and child tax credit.