

## 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

**Legislative Document** 

No. 495

H.P. 358

House of Representatives, February 19, 2021

An Act To Improve Income Tax Progressivity by Establishing New Top Individual Income Tax Rates

Received by the Clerk of the House on February 17, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT

Presented by Representative OSHER of Orono.

Cosponsored by Senator CHIPMAN of Cumberland and

Representatives: COLLINGS of Portland, COPELAND of Saco, GRAMLICH of Old Orchard Beach, MORALES of South Portland, RECKITT of South Portland, ROEDER of Bangor, TEPLER of Topsham, WILLIAMS of Bar Harbor.

1	Be it enacted by the People of the State	of Maine as follows:
2 3	Sec. 1. 36 MRSA §5111, sub-§1-amended to read:	<b>F,</b> as enacted by PL 2015, c. 267, Pt. DD, §3, is
4 5 6	beginning from 2017 to 2020. For tax y	ed persons filing separate returns; tax years years beginning on or after January 1, 2017 but hals 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		ed persons filing separate returns beginning ter January 1, 2021, for single individuals and
17 18 19 20	If Maine taxable income is:  Less than \$21,050 At least \$21,050 but less than \$50,000	The tax is: 5.8% of the Maine taxable income \$1,221 plus 6.75% of the excess over \$21,050
21 22 23 24	At least \$50,000 but less than \$100,000 \$100,000 or more	\$3,175 plus 8.35% of the excess over \$100,000 \$7,350 plus 11.15% of the excess over \$100,000
25 26	Sec. 3. 36 MRSA §5111, sub-§2-amended to read:	<b>F</b> , as enacted by PL 2015, c. 267, Pt. DD, §5, is
27 28 29	<b>2-F.</b> Heads of households; tax years beginning from 2017 to 2020. For tax years beginning on or after January 1, 2017 but before January 1, 2021, for unmarried individuals or legally separated individuals who qualify as heads of households:	
30 31 32 33 34	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
35	G 4 3/ MDG4 85111 1 82 4	\$75,000
36	Sec. 4. 36 MRSA §5111, sub-§2-6	
37 38 39		beginning 2021. For tax years beginning on or dividuals or legally separated individuals who
40 41	If Maine taxable income is: Less than \$31,550	The tax is: 5.8% of the Maine taxable income

1	At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over
2		<u>\$31,550</u>
3	At least \$75,000 but less than \$150,000	\$4,763 plus 8.35% of the excess over
4 5	£150,000 or more	\$75,000 \$11,025 plus 11,150/ of the guess gues
<i>5</i>	\$150,000 or more	\$11,025 plus 11.15% of the excess over \$150,000
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7 8		7, as enacted by PL 2015, c. 267, Pt. DD, §7, is
	amended to read:	
9		nt returns or surviving spouses; tax years
10	beginning <u>from</u> 2017 <u>to 2020</u> . For tax years beginning on or after January 1, 2017 <u>but</u> before January 1, 2021, for individuals filing married joint returns or surviving spouses	
11 12	before January 1, 2021, for individuals filing married joint returns or surviving spouses permitted to file a joint return:	
	1	TIL .
13 14	If Maine taxable income is:	The tax is: 5.8% of the Maine taxable income
15	Less than \$42,100 At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over
16	At least \$42,100 but less than \$100,000	\$42,100
17	\$100,000 or more	\$6,350 plus 7.15% of the excess over
18	\$100,000 of more	\$100,000
10	G (	
19	Sec. 6. 36 MRSA §5111, sub-§3-C	is enacted to read:
	Sec. 6. 36 MRSA §5111, sub-§3-C	
20 21	3-G. Individuals filing married joi	int returns or surviving spouses; tax years
20	3-G. Individuals filing married joi	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing
20 21	3-G. Individuals filing married joi beginning 2021. For tax years beginning o married joint returns or surviving spouses p	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing
20 21 22 23 24	3-G. Individuals filing married joi beginning 2021. For tax years beginning o	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return:
20 21 22 23 24 25	3-G. Individuals filing married joint beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over
20 21 22 23 24 25 26	3-G. Individuals filing married joint beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100
20 21 22 23 24 25 26 27	3-G. Individuals filing married joint beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return:  The tax is:  5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over
20 21 22 23 24 25 26 27 28	3-G. Individuals filing married joint beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000  At least \$100,000 but less than \$200,000	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000
20 21 22 23 24 25 26 27 28 29	3-G. Individuals filing married joint beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over
20 21 22 23 24 25 26 27 28	3-G. Individuals filing married joint beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000  At least \$100,000 but less than \$200,000	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000
20 21 22 23 24 25 26 27 28 29	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000  At least \$100,000 but less than \$200,000 \$200,000 or more	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over
20 21 22 23 24 25 26 27 28 29 30	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000 At least \$100,000 but less than \$200,000 \$200,000 or more	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing bermitted to file a joint return:  The tax is:  5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000
20 21 22 23 24 25 26 27 28 29 30	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses put If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000  At least \$100,000 but less than \$200,000  \$200,000 or more  SUM This bill increases the tax rate on the comparison of the	int returns or surviving spouses; tax years n or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is: 5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000
20 21 22 23 24 25 26 27 28 29 30 31 24 25 26	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000  At least \$100,000 but less than \$200,000  \$200,000 or more  SUM  This bill increases the tax rate on the contax from 7.15% to 8.35% and adds a new but \$100,000 for single individuals and married	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is:  5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000  TMARY  urrent top bracket under the individual income bracket of 11.15% on taxable income exceeding d persons filing separately, \$150,000 for heads
20 21 22 23 24 25 26 27 28 29 30 31 24 25	3-G. Individuals filing married join beginning 2021. For tax years beginning of married joint returns or surviving spouses pure If Maine taxable income is:  Less than \$42,100 At least \$42,100 but less than \$100,000  At least \$100,000 but less than \$200,000  \$200,000 or more  SUM  This bill increases the tax rate on the contax from 7.15% to 8.35% and adds a new but \$100,000 for single individuals and married	int returns or surviving spouses; tax years in or after January 1, 2021, for individuals filing permitted to file a joint return:  The tax is:  5.8% of the Maine taxable income \$2,442 plus 6.75% of the excess over \$42,100 \$6,350 plus 8.35% of the excess over \$100,000 \$14,700 plus 11.15% of the excess over \$200,000  IMARY  surrent top bracket under the individual income bracket of 11.15% on taxable income exceeding