



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

---

Legislative Document

No. 1289

---

H.P. 950

House of Representatives, March 30, 2021

### An Act To Cut Property Taxes for Maine Residential Homeowners

---

Received by the Clerk of the House on March 26, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative PERRY of Bangor.

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

2 **Sec. 1. 36 MRSA §683, sub-§1-B**, as amended by PL 2019, c. 343, Pt. H, §2, is  
3 further amended to read:

4 **1-B. Additional exemption.** A homestead eligible for an exemption under subsection  
5 1 is eligible for an additional exemption of \$5,000 of the just value of the homestead for  
6 property tax years beginning on April 1, 2016, \$10,000 of the just value of the homestead  
7 for property tax years beginning on April 1, 2017, April 1, 2018 and April 1, 2019 ~~and~~  
8 \$15,000 of the just value of the homestead for property tax years beginning on ~~or after~~  
9 April 1, 2020 and April 1, 2021, \$25,000 of the just value of the homestead for property  
10 tax years beginning on April 1, 2022, \$35,000 of the just value of the homestead for  
11 property tax years beginning on April 1, 2023 and \$45,000 for property tax years beginning  
12 on or after April 1, 2024.

13 **Sec. 2. 36 MRSA §5111, sub-§1-F**, as enacted by PL 2015, c. 267, Pt. DD, §3, is  
14 amended to read:

15 **1-F. Single individuals and married persons filing separate returns; tax years**  
16 **beginning in 2017 to 2021.** For tax years beginning on or after January 1, 2017 but no  
17 later than December 31, 2021, for single individuals and married persons filing separate  
18 returns:

19 If Maine taxable income is:	The tax is:
20 Less than \$21,050	5.8% of the Maine taxable income
21 At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over
22	\$21,050
23 \$50,000 or more	\$3,175 plus 7.15% of the excess over
24	\$50,000

25 **Sec. 3. 36 MRSA §5111, sub-§1-G** is enacted to read:

26 **1-G. Single individuals and married persons filing separate returns; tax years**  
27 **beginning 2022.** For tax years beginning on or after January 1, 2022, for single individuals  
28 and married persons filing separate returns:

29 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
30 <u>Less than \$21,050</u>	<u>5.8% of the Maine taxable income</u>
31 <u>At least \$21,050 but less than \$50,000</u>	<u>\$1,221 plus 6.75% of the excess over</u>
32	<u>\$21,050</u>
33 <u>At least \$50,000 but less than \$300,000</u>	<u>\$3,175 plus 7.15% of the excess over</u>
34	<u>\$50,000</u>
35 <u>\$300,000 or more</u>	<u>\$21,050 plus 7.95% of the excess over</u>
36	<u>\$300,000</u>

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

39 **2-F. Heads of households; tax years beginning in 2017 to 2021.** For tax years  
40 beginning on or after January 1, 2017 but no later than December 31, 2021, for unmarried  
41 individuals or legally separated individuals who qualify as heads of households:

42 If Maine taxable income is: The tax is:

1	Less than \$31,550	5.8% of the Maine taxable income
2	At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over
3		\$31,550
4	\$75,000 or more	\$4,763 plus 7.15% of the excess over
5		\$75,000

6           **Sec. 5. 36 MRSA §5111, sub-§2-G** is enacted to read:

7           **2-G. Heads of households; tax years beginning 2022.** For tax years beginning on or  
8 after January 1, 2022, for unmarried individuals or legally separated individuals who  
9 qualify as heads of households:

10	<u>If Maine taxable income is:</u>	<u>The tax is:</u>
11	<u>Less than \$31,550</u>	<u>5.8% of the Maine taxable income</u>
12	<u>At least \$31,550 but less than \$75,000</u>	<u>\$1,830 plus 6.75% of the excess over</u>
13		<u>\$31,550</u>
14	<u>At least \$75,000 but less than \$450,000</u>	<u>\$4,763 plus 7.15% of the excess over</u>
15		<u>\$75,000</u>
16	<u>\$450,000 or more</u>	<u>\$31,575 plus 7.95% of the excess over</u>
17		<u>\$450,000</u>

18           **Sec. 6. 36 MRSA §5111, sub-§3-F**, as enacted by PL 2015, c. 267, Pt. DD, §7, is  
19 amended to read:

20           **3-F. Individuals filing married joint returns or surviving spouses; tax years**  
21 **beginning in 2017 to 2021.** For tax years beginning on or after January 1, 2017 but no  
22 later than December 31, 2021, for individuals filing married joint returns or surviving  
23 spouses permitted to file a joint return:

24	If Maine taxable income is:	The tax is:
25	Less than \$42,100	5.8% of the Maine taxable income
26	At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over
27		\$42,100
28	\$100,000 or more	\$6,350 plus 7.15% of the excess over
29		\$100,000

30           **Sec. 7. 36 MRSA §5111, sub-§3-G** is enacted to read:

31           **3-G. Individuals filing married joint returns or surviving spouses; tax years**  
32 **beginning 2022.** For tax years beginning on or after January 1, 2022, for individuals filing  
33 married joint returns or surviving spouses permitted to file a joint return:

34	<u>If Maine taxable income is:</u>	<u>The tax is:</u>
35	<u>Less than \$42,100</u>	<u>5.8% of the Maine taxable income</u>
36	<u>At least \$42,100 but less than \$100,000</u>	<u>\$2,442 plus 6.75% of the excess over</u>
37		<u>\$42,100</u>
38	<u>At least \$100,000 but less than \$600,000</u>	<u>\$6,350 plus 7.15% of the excess over</u>
39		<u>\$100,000</u>
40	<u>\$600,000 or more</u>	<u>\$41,200 plus 7.95% of the excess over</u>
41		<u>\$600,000</u>

42           **Sec. 8. 36 MRSA §5403, sub-§1**, as enacted by PL 2015, c. 267, Pt. DD, §33, is  
43 amended to read:

1           **1. Individual income tax rate tables.** For the tax rate tables in section 5111:

2           A. Beginning in 2016 and each year thereafter through 2021, by the lowest dollar  
3           amounts of the tax rate tables specified in section 5111, subsections 1-F, 2-F and 3-F,  
4           except that for the purposes of this paragraph, notwithstanding section 5402, subsection  
5           1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-  
6           month period ending June 30th of the preceding calendar year divided by the Chained  
7           Consumer Price Index for the 12-month period ending June 30, 2015; ~~and~~

8           B. Beginning in 2017 and each year thereafter, by the highest taxable income dollar  
9           amount of each tax rate table, except that for the purposes of this paragraph,  
10           notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the  
11           Chained Consumer Price Index for the 12-month period ending June 30th of the  
12           preceding calendar year divided by the Chained Consumer Price Index for the 12-  
13           month period ending June 30, 2016; and

14           C. Beginning in 2022 and each year thereafter, by the lowest dollar amounts of the tax  
15           rate tables specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the  
16           purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-  
17           living adjustment" is the Chained Consumer Price Index for the 12-month period  
18           ending June 30th of the preceding calendar year divided by the Chained Consumer  
19           Price Index for the 12-month period ending June 30, 2021;

20                                   **SUMMARY**

21           This bill creates a new income tax rate of 7.95% for tax years beginning on or after  
22           January 1, 2022 for income exceeding \$300,000 for single individuals and married persons  
23           filing separately, \$450,000 for individuals filing as heads of household and \$600,000 for  
24           individuals filing married joint returns or as surviving spouses. The bill also increases the  
25           homestead property tax exemption from \$25,000 in 2021 to \$35,000 in 2022, \$45,000 in  
26           2023 and \$55,000 in 2024.