



128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document

No. 1758

H.P. 1211

House of Representatives, December 22, 2017

**An Act To Strengthen Maine Families with Children by Changing
the Income Tax Laws**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 20, 2017. 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 FREDETTE of Newport.
Cosponsored by Senator JACKSON of Aroostook and
Representative: PICCHIOTTI of Fairfield.

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

2 **Sec. 1. 36 MRSA §5219-S, sub-§§1 to 3**, as amended by PL 2009, c. 213, Pt.
3 BBBB, §16, are further amended to read:

4 **1. Resident taxpayer prior to 2018.** A For tax years beginning prior to January 1,
5 2018, a resident individual is allowed a credit against the tax otherwise due under this
6 Part in the amount of 5% of the federal earned income credit for the same taxable year,
7 except that for tax years beginning in 2009 and 2010, the applicable percentage is 4%.

8 **2. Nonresident taxpayer prior to 2018.** A For tax years beginning prior to January
9 1, 2018, a nonresident individual is allowed a credit against the tax otherwise due under
10 this Part in the amount of 5% of the federal earned income credit for the same taxable
11 year, except that for tax years beginning in 2009 and 2010, the applicable percentage is
12 4%, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in
13 section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted
14 gross income, as modified by section 5122.

15 **3. Part-year resident taxpayer prior to 2018.** ~~A~~ For tax years beginning prior to
16 January 1, 2018, an individual who files a return as a part-year resident in accordance
17 with section 5224-A is allowed a credit against the tax otherwise due under this Part in
18 the amount of 5% of the federal earned income credit for the same taxable year, except
19 that for tax years beginning in 2009 and 2010, the applicable percentage is 4%, multiplied
20 by a ratio, the numerator of which is the individual's Maine adjusted gross income as
21 defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year
22 during which the individual was a resident plus the individual's Maine adjusted gross
23 income as defined in section 5102, subsection 1-C, paragraph B for that portion of the
24 taxable year during which the individual was a nonresident and the denominator of which
25 is the individual's entire federal adjusted gross income, as modified by section 5122.

26 **Sec. 2. 36 MRSA §5219-S, sub-§3-A** is enacted to read:

27 **3-A. Resident, nonresident and part-year resident taxpayer beginning in 2018.**
28 For tax years beginning on or after January 1, 2018, an individual who files a return as a
29 resident individual or a nonresident individual or as a part-year resident in accordance
30 with section 5224-A is allowed a credit against the tax otherwise due under this Part in
31 the amount of 10% of the federal earned income credit for the same taxable year.

32 **Sec. 3. 36 MRSA §5219-S, sub-§4**, as amended by PL 2015, c. 328, §8, is further
33 amended to read:

34 **4. Limitation.** The credit allowed by this section may not reduce the Maine income
35 tax to less than zero, except that for tax years beginning on or after January 1, 2016 and
36 before January 1, 2018, the credit allowed under subsections 1 and 3 is refundable. For
37 tax years beginning on or after January 1, 2018, the credit allowed for an individual who
38 files as a resident individual or part-year resident is refundable.

39 **Sec. 4. 36 MRSA §5219-RR** is enacted to read:

