

History of Enacted Tax Legislation: 2011 through 2016

provisions administered by the Income / Estate Tax Division & other administrative provisions

FN Y/N	Provision	125th Legislature		126th Legislature		127th Legislature		128th Legislature	
		1st Session: 2011 Gen. Eff. Date: 9/27/11	2nd Session: 2012 Gen. Eff. Date: 08/30/12	1st Session: 2013 Gen. Eff. Date: 10/9/13	2nd Session: 2014 Gen. Eff. Date: 08/01/14	1st Session: 2015 Gen. Eff. Date: 10/15/15	2nd Session: 2016 Gen. Eff. Date: 7/29/16	First Sess. (Budget Proposals) 2017	
Individual income tax									
Y	Individual income tax brackets of 2%, 4.5%, 7%, 8.5%	New individual tax rate brackets of 0%, 6.5% and 7.95%. Applies January 1, 2013. (PL 2011, c. 380, Pt. N)	Individual income tax rates must be reduced in any year there are sufficient funds in the Tax Relief Fund for Maine Residents - rates to be reduced annually until there is a single rate of 4%. Applies after 2014. (PL 2011, c. 692)	Indexing of individual tax rates schedules is suspended for two years. 2013 tax rates apply to 2014 and 2015. Rate schedules to be adjusted for inflation for tax year 2016 based on the chained consumer price index. (PL 2013, c. 368, Pt. Q)			New tax rates: 5.8%, 6.75% and 7.15%; Applies Jan. 1, 2016; -Top rate bracket is increased from \$37,500 to \$50,000 for single individuals and married persons filing separately; from \$56,250 to \$75,000 for head of household; and from \$75,000 to \$100,000 for married filing joint. Applies Jan. 1, 2017; - the lowest dollar bracket is to be adjusted for inflation annually beginning in 2016 and the top bracket annually beginning in 2017. (PL 2015, c. 267, Pt. DD)		New tax rates: 2018 and 2019 = 2.75% and 3.15%; 2020 = 2.75%
	Income Tax Surcharge - Citizens Initiative						3% surcharge on individual income over \$200,000 for education fund starting 2017		Delay surcharge to 2018; affects all taxpayers; and revenue doesn't go to education fund; estates & trusts subject to income tax also subject to surcharge

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Standard / Itemized deductions, personal exemption									
Y	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Tax Year: 2011 Single: \$5,800 MJ: \$9,650 HH: \$8,500 MS: \$4,825 Federal MJ: \$11,600 MS: \$5,800 </div> <p>Except for married taxpayers, standard deduction amounts are the same as the federal standard deduction amounts</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Tax Year 2012 Single: \$5,950 MJ: \$11,900 HH: \$8,700 MS: \$5,950 </div> <p>Conformity with federal standard deduction. Applies Jan. 1, 2012 (PL 2011, c. 380, Pt. N)</p>		<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Tax Year: 2013 Single: \$6,100 MJ: \$10,150 HH: \$8,950 MS: \$5,075 Conforms to IRC as of December 31, 2011* Federal - 13&14 / 2015 Single: \$6,200 / \$6,300 MJ: \$12,400 / \$12,600 HH: \$9,100 / \$9,250 MS: \$6,200 / \$6,300 </div> <p>Standard deduction conforms to federal for tax years 2013 - 2015, *except for 2013, married filing jointly = \$10,150 and married filing separately = \$5,075 (PL 2013, c. 368, Pt. TT-9)</p>			-Standard deduction amounts = \$11,600 for single and married filing separate; \$17,400 for head of household; \$23,200 for married filing joint. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §§ 14 and 33); -Standard/itemized deduction phaseout starts: \$70,000 = single filers, \$105,000 = heads of households, \$140,000 = married joint filers; fully phased out: \$145,000 = single filers, \$217,500 = heads of households, \$290,000 = married joint filers. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §§ 8 and 33)	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Tax Year: 2016, 2017 Single: \$11,600 MJ: \$23,200 HH: \$17,400 MS: \$11,600 Federal - <u>2016 / 2017</u> Single: \$6,300 / \$6,350 MJ: \$12,600 / \$12,700 HH: \$9,300 / \$9,350 MS: \$6,300 / \$6,350 </div>	
Y	<p>Maine personal exemption = \$2,850 (2000 - 2012)</p>	<p>Conformity with federal personal exemption. Applies Jan. 1, 2013 (PL 2011, c. 380, Pt. N)</p> <p>Federal personal exemption phaseout starts if agi >: \$259,400 if single; \$311,300 if married filing joint; \$285,350 if head of household; and \$155,650 if married filing separate. The amounts are adjusted for inflation after 2013.</p>	<div style="border: 1px solid black; padding: 5px;"> Personal Exemption amounts: 2013: \$3,900 2014: \$3,950 2015: \$4,000 2016: \$4,050 2017: \$4,050 </div>						

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Y	<p>Maine itemized deductions conform to federal itemized deductions <i>except</i> for state or local income tax; general sales tax; and mortgage insurance premiums</p>	<p>Conformity with federal itemized deduction for mortgage insurance premiums. Applies Jan. 1, 2012 (PL 2011, c. 380, Pt. N)</p>	<p>Itemized deductions are limited to \$27,500. Amount subject to inflation adjustment in subsequent tax years. Applies Jan. 1, 2013 (PL 2013, c. 368, PT. TT, §§ 10, 11 & 19)</p>	<p>-Exempts medical and dental expenses from cap on itemized deductions. Applies Jan. 1, 2014; - up to \$18,000 over cap allowed for charitable contributions. Applies Jan. 1, 2016; - 100% charitable contributions can be claimed after 2016 (PL 2013, c. 595, Part T, §§ T-1 & T-2) (PL 2013, c. 590)</p>	<p>-Provisions allowing taxpayers to claim up to \$18,000 in charitable contributions in excess of itemized deduction cap starting in 2016, and claim all charitable contributions after 2016 are repealed (PL 2015, c. 267, Pt. DD, §18) -Standard/itemized deduction phaseout starts: \$70,000 = single filers, \$105,000 = heads-of-households, \$140,000 = married joint filers; fully phased out: \$145,000 = single filers, \$217,500 = heads-of-households, \$290,000 = married joint filers (PL 2015, c. 267, Pt. DD, §§ 8 and 33)</p>			
Income modifications: additions / subtractions								
Y	<p>Pension income deduction limited to \$6,000.</p>		<p>Increases the pension income deduction to \$10,000 and includes all federally taxable pension income, annuity income and ira distributions except pick-up contributions for which a deduction has been allowed for tax years beginning January 1, 2014. (PL 2011, c. 657, Pt. R)</p>			<p>Benefits received under a military retirement plan are fully exempt. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §10)</p>		<p>Increase pension deduction to \$35,000 over 5-year period (\$5k/year) beginning in 2017</p>

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	Deduction for non-Maine active duty military pay		Exempts active duty military pay earned outside Maine under written military orders. Applies Jan. 1, 2014 (PL 2011, c. 657, Pt. M)	Clarifies requirements (income earned outside Maine under written military orders, income included in fagi, active duty service member); Applies Jan. 1, 2014 (PL 2013, c. 331, Pt. C-33)				
N	Nonconformity w/federal bonus depreciation		Nonconformity - add back required for tax years beginning in 2011 & 2012. See Maine Capital Investment Credit below.	Nonconformity - add back required for tax years beginning in 2013. See Maine Capital Investment Credit below.		- Nonconformity - add back required for tax years beginning in 2014. See Maine Capital Investment Credit below. - Nonconformity - add back required for tax years beginning in 2015. See Maine Capital Investment Credit below.	Nonconformity - add back required. See Maine Capital Investment Credit below. (PL 2015, c. 388, Pt. A, §§ 5 & 8)	
N	Maine limit on federal Sec. 179 expensing: \$25,000/taxable year	Full conformity with federal Sec. 179 expensing, up to \$500,000 beginning 2011. (PL 2011, c. 380, Pt. O)						
	Qualified tuition and related expenses add-back						The add-back for qualified tuition and related expenses is repealed. Applies Jan. 1, 2016 (PL 2015, c. 388, Pt. A, §2)	
Y	Deduction for 529 plan contributions, up to \$250					Deduction for contributions to 529 plan up to \$250 per beneficiary is repealed. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §12)		
Y	Deductions for long-term care premiums is available					Deduction for long-term care premiums paid is repealed. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §11)		

Tax additions:

History of Enacted Tax Legislation: 2011 through 2016

provisions administered by the Income / Estate Tax Division & other administrative provisions

FN Y/N	Provision	125th Legislature		126th Legislature		127th Legislature		128th Legislature
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Y	Alternative minimum tax	Alternative minimum tax repealed for non-corporate taxpayers. Applies Jan. 1, 2012. (PL 2011, c. 380, Pt. N)	Requires the alternative minimum tax credit be reduced by certain refundable tax credits. (Applies Jan. 1, 2012 (PL 2011, c. 644)	Reverses the prior change that required the minimum tax credit be reduced by certain refundable tax credits. Applies retroactively Jan. 1, 2012 (PL 2013, c. 331)				Repeal corporate alternative minimum tax for tax years after 2016
Y	Lump sum and early retirement plan distributions additional tax equal to 15% of federal additional tax before 2012	Additional tax on lump-sum and early retirement plan distributions reduced to 7.5% of federal tax for tax years beginning in 2012; repealed for tax years beginning after 2012. (PL 2011, c. 380, Pt. N)						
Tax credits:								
	Low-income tax credit			Low-income tax credit repealed (PL 2013, c. 331, § C-35)				
	Circuitbreaker Program / Property Tax Fairness Credit	Circuitbreaker benefit limited to 80% of benefit calculation for program years beginning Aug 1, 2011 & 2012 (max. \$2,000 benefit limited to \$1,600) (PL 2011, c. 380, Pt. P)	-Permit life tenancy agreement; proof of rent required when rent is \$9,000 or more for the year. Applies Aug. 1, 2012 (PL 2011, c. 513) -Prohibits claim under circuitbreaker where property tax was abated based on poverty or infirmity (PL 2011, c. 552)	Property Tax Fairness Credit enacted to replace the Circuitbreaker program. Credit equal to 40% of benefit base greater than 10% of Maine adjusted gross income, up to \$300 (\$400 if at least 70 years of age). (PL 2013, c. 368, Pt. L, §§ 1 & 4); Circuitbreaker program repealed (PL 2013, c. 368, Pt. L §§ 2&4)	PTFC = 50% of benefit base greater than 6% of total federal income, up to \$600 (\$900 if at least 65 years of age); new benefit base amounts and maximum income thresholds; reduces rent constituting property tax from 25% of rent to 15%; allows subsidized housing. Applies Jan. 1, 2014 (PL 2013, c. 551)			PTFC amendments: remove add-back of trade, capital and business losses from income base; change benefit base amounts; increase credit amount and max. credit; credit restrictions based on residency, filing status and eliminate reduction for heat, etc included in rent
	Sales tax fairness credit					Sales tax fairness credit up to \$180 (\$225 after 2016) enacted. Applies Jan. 1, 2016. See (PL 2015, c. 267, Pt. DD § 19 & 33); and (PL 2015, c. 328, §4)		Remove add-back of trade, capital and businesses losses included in fagi for purposes of STFC income

History of Enacted Tax Legislation: 2011 through 2016

provisions administered by the Income / Estate Tax Division & other administrative provisions

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N	Educational opportunity tax credit is nonrefundable; credit equal to student loan payments or benchmark, whichever is less		EOTC expanded to Maine grads who have up to 30 credit hours from out-of-state or are deployed for military service; individual credit becomes refundable for STEM degrees; expands employer credit to non-Maine degrees; adds reporting requirements in 2021. Applies Jan. 1, 2013. (PL 2011, c. 665)		Clarifies only loan payments paid directly to the lender qualifies for the credit; eliminates requirement that qualified individual work for employer located in Maine; however, individual must work in Maine, except for up to 3 months; self-employed now qualify. Applies Jan. 1, 2015 (PL 2013, c. 525)		-Credit expanded to attendance at a non-Maine college and graduate degrees earned after 2015; associate degrees refundable. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. QQQ); (PL 2015, c. 328, §55, 6, and 7); and (PL 2015, c. 328, §1)	Refinanced and consolidated educational loans become eligible for credit. Applies Jan. 1, 2015 (PL 2015, c. 482)
	Child and dependent care credit = 25% of fed. credit, or 50% of fed. credit for quality expenses						Beginning on or after January 1, 2016, the credit is no longer refundable to nonresident taxpayers (PL 2015, c. 267, Pt. DD, §24)	Increase regular credit to 50% of federal credit; credit for quality child care remains at 50% of federal credit
Y	Earned Income Tax Credit is non-refundable						The earned income tax credit is refundable for Maine residents; refundable portion prorated for part-year residents. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §31)(PL 2015, c. 328, §8)	
	New adult dependent care credit						Adult dependent care credit is enacted. 25% of eligible expenses; refundable up to \$500. Applies Jan. 1, 2016 (PL 2015, c. 340)	
	New credit for certain homestead modifications							Credit up to \$9,000 for certain homestead modifications is enacted. Applies Jan. 1, 2017. See (PL 2015, c. 503)

History of Enacted Tax Legislation: 2011 through 2016

provisions administered by the Income / Estate Tax Division & other administrative provisions

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	New credit for disability income protection plans in the workplace						Credit equal to \$30/year/employee for income protection plans in the workplace is enacted. Applies Jan. 1, 2017. See (PL 2015, c. 490, §§ 7 & 8)	
	Credit for the elderly or disabled					The credit is repealed. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §25)		
Y	Forest management planning credit					The credit is repealed. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §26)		
	Rehabilitation of historic properties after 2007	Credit for rehabilitation of historic properties after 2007 sunset date extended from Dec. 31, 2013 to December 31, 2023 and credit extended to insurance premiums taxpayers (PL 2011, c. 540)			Maximum credit is increased to the greater of \$5,000,000 for the portion of a certified rehabilitation placed in service in Maine during the taxable year, or \$5,000,000 for each building for which the credit is claimed. Applies Jan. 1, 2014 (PL 2013, c. 550)			
	Seed cap investment tax credit rate = 40%; 50% ownership limitation applies to all investors collectively	Seed capital investment tax credit rate increased to 60% of eligible investments across the State; 50% ownership limitation applies to each investor. Applies Jan. 1, 2012 (PL 2011, c. 454)			Credit reduced to 50% of investments; maximum annual sales = \$5,000,000; enacts investment limitations; etc. (PL 2013, c. 438)			

History of Enacted Tax Legislation: 2011 through 2016

provisions administered by the Income / Estate Tax Division & other administrative provisions

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N	Maine Capital Investment Credit for property placed in service in Maine after 2010	In lieu of conformity with federal bonus depreciation, Maine capital investment credit (MCIC) = 10% of federal bonus depreciation. Applies to ty's 2011 and 2012 (PL 2011, c. 380, Pt. O)		MCIC = 9% of federal bonus depreciation. Applies to ty 2013 (PL 2013, c. 368, Pt. TT, § 18)		- MCIC = 9% of federal bonus depreciation. Applies to ty 2014 (PL 2015, c. 1, § 14) - MCIC = 8% of the bonus depreciation add-back for individuals and 9% for corporations. Applies to ty 2015 (PL 2015, c. 388, Pt. A, §15)	MCIC = 7% of the bonus depreciation add-back for individuals and 9% for corporations. Applies Jan. 1, 2016 (PL 2015, c. 388, Pt. A, §15)	
Y	Super credit for substantially increased research and development				Super credit for substantially increased research and development is repealed except for carryforward amounts; the carryforward period is increased to 10 years; beginning after 2013, the credit for carryforwards allowed is reduced to 25% of the tax due for that year after allowance of other credits (PL 2013, c. 502, Pt. J)			
	Wellness programs credit	Credit for wellness programs enacted equal to the lesser of \$100/employee or \$2,000. Applies Jan. 1, 2014 (PL 2011, c. 90, Part H)						
	Minimum Tax Credit			Repeals requirement that Minimum Tax Credit be reduced by certain refundable credits. Applies Jan. 1, 2012 (PL 2013, c. 331, § C-34)				

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provisions administered by the Income / Estate Tax Division & other administrative provisions

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	Pine tree development zone program credit available to certified businesses						Pine Tree Development Zone benefits are extended to call centers in Aroostook and Washington counties (PL 2015, c. 368)	
	Jobs and investment credit						The credit is repealed except that unused credit amounts may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §20)	
	Credit for contributions to family development account						The credit is repealed. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §§17, 21 and 27)	
	Credit for employer-assisted day care expenses						The credit is repealed except that unused credit amounts may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §22)	
	Credit for employer-provided long-term care benefits						Credit for employer-provided long-term care benefits is repealed except that unused credit amounts may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §23)	
	High-technology investment tax credit						The credit is repealed except that unused credit amounts may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §28)	
	Dependent health benefits credit						The credit is repealed except that unused credit amounts may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §29)	

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	Quality child care investment credit							The credit is repealed except that unused credit amounts may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §30)																										
	Credit for biofuel commercial production							The credit is repealed except that unused credit amount may be carried forward. Applies Jan. 1, 2016 (PL 2015, c. 267, Pt. DD, §32)																										
	New markets tax credit	New markets tax credit enacted: refundable credit = 39% of investment over 7 years: 0% year 1 & 2; 7% year 3; 8% years 4 thru 7. Applies Jan. 1, 2012 (PL 2011, c. 380, Pt. Q)	-Increase maximum investment from \$10 million to \$40 million. (PL 2011, c. 657, Pt. N); - Income included in fagi from new markets tax credit may be subtracted on Maine return. Applies Jan. 1, 2012 (PL 2011, c. 644)	Investment limitations clarified to apply to each project; project defined; requirement to add more than 200 jobs to qualify for \$40 million project is removed. Eff. May 7, 2013 (PL 2013, c. 75)																														
	Maine fishery infrastructure credit	Maine fishery infrastructure credit enacted = 50% of investment or contribution to public fishery infrastructure projects. Limitations apply. Eff. June 20, 2011 (PL 2011, c. 380, Pt. HHHH)	Replaces prohibition to claim credit with an addition modification equal to deduction claimed for expenses also used to calculate credit. Eff. June 20, 2011 (PL 2011, c. 644)																															
C corporations																																		
	C corporation income tax brackets of 3.5%, 7.93%, 8.33%, 8.93%	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2">Tax Year: 1983 - 2017</td></tr> <tr><td colspan="2">Single:</td></tr> <tr><td style="text-align: center;">TI</td><td style="text-align: center;">Tax</td></tr> <tr><td style="text-align: center;"><\$25,000</td><td style="text-align: center;">3.5%</td></tr> <tr><td style="text-align: center;">\$25,000-\$75,000</td><td style="text-align: center;">\$875 + 7.93%</td></tr> <tr><td style="text-align: center;">\$75,000-\$250,000</td><td style="text-align: center;">\$4,840 + 8.33%</td></tr> <tr><td style="text-align: center;">\$250,000+</td><td style="text-align: center;">\$19,418 + 8.93%</td></tr> </table>	Tax Year: 1983 - 2017		Single:		TI	Tax	<\$25,000	3.5%	\$25,000-\$75,000	\$875 + 7.93%	\$75,000-\$250,000	\$4,840 + 8.33%	\$250,000+	\$19,418 + 8.93%						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2">Tax Year: 2018</td></tr> <tr><td colspan="2">Single:</td></tr> <tr><td style="text-align: center;">TI</td><td style="text-align: center;">Tax</td></tr> <tr><td style="text-align: center;"><\$25,000</td><td style="text-align: center;">3.5%</td></tr> <tr><td style="text-align: center;">\$25,000-\$75,000</td><td style="text-align: center;">\$875 + 7.93%</td></tr> <tr><td style="text-align: center;">\$75,000+</td><td style="text-align: center;">\$4,840 + 8.33%</td></tr> </table>	Tax Year: 2018		Single:		TI	Tax	<\$25,000	3.5%	\$25,000-\$75,000	\$875 + 7.93%	\$75,000+	\$4,840 + 8.33%
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	Estate tax							
	Estate tax is imposed on the transfer of a decedent's estate; exclusion amount - \$1,000,000; tax based on the state tax credit calculated at the federal level prior to 2002 (EGTRRA phased out the federal state tax credit 2002 through 2005).	-For estates of decedents dying on or after Jan. 1, 2012 maximum allowable ME QTIP deduction = difference between federal exclusion amount and state exclusion amount (in conformance with federal law). -For estates of decedents dying after Dec. 31, 2012, the estate tax exclusion amount increased from \$1,000,000 to \$2,000,000; - Beginning in 2013 new tax brackets: 8%, 10% and 12%. (PL 2011, c. 380, Part M)		-Estate tax lien does not attach to property passing by right of survivorship. -Maine estate tax lien automatically released 10 years after decedent's death. Eff. Oct. 9, 2013 (PL 2013, c. 331, Pts. AA-2 & AA-3) -adjusted federal gross estate no longer references Maine qualified terminable interest property. Applies Jan. 1, 2013 (PL 2013, c. 331, Pt. C-17) -requirement to file estate tax return provision is clarified that the gross estate must be increased by all taxable gifts made w/1 year of death & the gross estate must be increased by Maine elective property. Eff. Oct. 9, 2013 (PL 2013, c. 331, Pt. C-18)			For estates of decedents dying on or after January 1, 2016, the Maine exclusion amount = federal exclusion amount (PL 2015, c. 267, Part I, §1 and §2)	Eliminate estate tax for decedents dying on or after January 1, 2018