

LD 1496
REVISED VERSION -- AS OF MAY 30, 2013

Property Tax Reforms

- FY2014 – Restore “status quo” from FY2013
 - \$10,000 homestead exemption
 - 3.5% revenue sharing; divided 80-20 between rev I and rev II
 - Property tax fairness credit replaces circuit breaker
 - Integrated into 2013 income tax filing
- FY2015 – Implementation of resident-targeted reform
 - \$50,000 homestead exemption
 - 1.5% revenue sharing using new rev II formula

Income/Estate Tax Reform

- Phased-in income tax rate reductions
 - 4.95% in tax year 2014
 - 4.5% in tax year 2015
 - 4% in tax year 2016
- Full implementation of sales tax fairness credits in 2014
 - Refundable up to \$400 single, \$800 couple plus \$100 per dependent or 65+
 - Increased full credit amount incorporated into income tax formula
 - Transitional sales tax fairness credit available with 2013 tax return
- Most deductions and many credits eliminated
- Repeal of estate tax in 2015.

Sales/Excise Tax Reforms

- October 1, 2013
 - All rate increases as originally drafted
 - Sales tax base expansions to well-defined categories
 - Amusement, entertainment and recreation services
 - Limited installation, repair and maintenance services
 - Personal care services
 - Groceries, electricity, cable, water
 - Personal property services
 - Leasing provisions
 - Expanded prepared foods definition

Fiscal Objective: If the Appropriations Committee agrees on a balanced budget that deals with everything in the Governor’s budget proposal *except* the suspension of revenue sharing, and the elimination of the homestead exemption and circuit breaker programs, then this comprehensive tax reform package can be inserted as a *budget neutral add-on* that relieves property taxes rather than increases them.

**STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
MAINE REVENUE SERVICES
OFFICE OF TAX POLICY**

Date: May 30, 2013

To: Joint Standing Committee on Taxation

Subject: LD 1496 – An Act to Modernize and Simplify the Tax Code

Primary Sponsor: Rep. L. Gary Knight

The following analysis is provided with respect to the draft of the bill dated 5-21-13.

Estimated Revenue Impact:

Estimated Administrative Cost Impact:

Approximate annual administrative costs: \$1 to \$1.5 million. Includes personal services costs, computer programming costs to update the Maine automated tax system, additional return processing costs and printing/mailing costs for additional forms/instructions, notices, refunds, etc.

Identified Issues:

1. The bill should amend 36 M.R.S.A. § 5160 (tax on estates and trusts) to strike the reference to "single individuals" in reference to the rate applicable to estate and trust income tax.
2. Chapter 815, Partners and Partnerships, should be reviewed. In particular, the reference to itemized deductions in section 5192(2) should be removed.
3. Sec A-4 of the bill makes the rate contingent on certain legislation being enacted. The timing on the "offsetting sales tax expansion" may not work, as no specific date for enactment is provided, and by 9/1/2014 the Commissioner may have insufficient information to make a report. Also, one effect of the current language could be that the "later date" of enactment if occurring could result in a retroactive lowering of the rate. Also, in the last sentence, MRS suggests that the Office of Fiscal and Program Review make the required certification to MRS and the Revisor's Office, rather than the Commissioner of the Department of Administrative and Financial Services making the certification.
4. Sections A-6 through A-13 need application dates; otherwise, the change to, or repeal of, each income modification would take effect on the effective date of the bill.
5. Sec A-17:
 - a. The section should clarify whether the credit is per individual, the filing status is the Maine or federal filing status, and whether an individual filing the return can also qualify as a dependent on the return. It might be clearer if the credit was based on the number of personal exemptions claimed, or allowable, on the federal return.

- b. Subsection 3 appears to allow any dependent to file a return – even a ten year old, for example – to claim the credit, and subsection 5 would allow a refundable credit provided the child wasn't claimed as a dependent on another return. Perhaps subsection 5 should add "could be claimed as a dependent" on another return as not being entitled to the refundable credit. Also, this section should state "notwithstanding the other paragraphs, the dependent gets a refundable credit of 0."
 - c. Subsection 6 should clarify whether the fraction is based upon days or months the taxpayer claims to be a resident. The bill does not address married couples. Also, the language should be changed to "individuals who are residents" for part of the year who file returns.
6. Sec A-18:
- a. Paragraph 1 should be rewritten to say the credit is allowed to a "resident individual" against the "tax due under this Part."
 - b. Subsection 4 should clarify whether the fraction is based upon days or months the taxpayer claims to be a resident. References to "surviving spouses" should be changed to "qualifying widows and widowers." Also, the description of the taxpayers should be changed to "individuals who are residents for part of the income tax year."
7. Sections A-19 through A-35 should be rewritten to clearly end the credits or allow carry-forwards. The language in the bill that reads that the credit applies to investments or expenditures "before" a certain date should be changed to read that the credit "does not apply" to investments or expenditures "after" a certain date. For example, the language in Sec. A-19 should be changed to read: **9. Expiration.** This section does not apply to investments made after December 31, 2013.
8. Sec A-37:
- a. The credit should apply to a "resident individual" for "taxes imposed under this Part." The language should clarify whether a part-year resident qualifies for the credit.
 - b. As currently written, the credit could be calculated on property taxes from multiple years that are paid during the income tax year. If this was not intended, the language should be changed to limit the credit to the amount of taxes paid in the income tax year or to the amount assessed in that year, whichever is less. A similar problem exists relating to the amount of rent – it should be limited to no more than payments for 12 months and paid during the tax year. In addition, the credit should be limited to the taxes or rent paid during that part of the tax year the individual was a resident of Maine.
 - c. The language doesn't address people who move during the year from a rental to a home purchased by the taxpayer (or the reverse) or taxpayers who pay both taxes and rent on the same "homestead" (as is often the case with owners of trailers in trailer parks).
 - d. As written, it appears that spouses living separately and filing separate returns could each claim a credit on the basis of the property tax on each homestead. It also appears that spouses living in the same homestead, but filing separate returns, could each claim a property tax credit.
 - e. Is the \$250,000 limitation with respect to "just value" or taxes paid? The term "just value" should be defined.

- f. The term homestead could be defined similar to that used for the homestead exemption, but without requiring the time requirements under that definition.
 - g. The definition for "Rent constituting property taxes" should clarify that the rent paid must have been paid by the resident individual. The term "rental paid" in the definition of "gross rent" should be changed to "rent paid." Unlike the property tax limitation of \$250,000, there is no related limit for rent – perhaps the ceiling for rent should be around \$20,000. Should those whose rent is subsidized (such as Section 8 housing) qualify for the credit, or should they receive a reduced credit amount?
 - h. The reference in subsection 2 to the "base" property tax fairness credit should be changed to simply refer to the "property tax fairness credit."
 - i. Maybe the section should authorize rulemaking by the STA.
 - j. Subsection 2 should use the term "resident individual" rather than "taxpayer."
 - k. The sales tax credit should make clear that it is applied to tax before the property tax credit. It appears that it is more advantageous for the taxpayer to apply the sales tax credit first.
 - l. Because some of the remaining credits are refundable, should there be a limit on the refundability of the property tax credit?
 - m. There is no ceiling on income for the property tax credit.
 - n. The statutory reference in subsection 2 should be "section 5102, subsection 1-C, paragraph A."
 - o. The current Circuitbreaker Program provides that the benefit should not adversely affect benefits to the aged, blind and disabled, shall not reduce TANF benefits and may not be counted as income for purposes of any state or municipally administered public benefit program. As the bill is written, the property tax credit refund would be considered for purposes of determining benefits under each of these programs.
 - p. To avoid disproportionate processing costs, the Circuitbreaker program limits refunds to \$10 or more (\$5 or more in the case of a senior benefit). Should similar limitations apply to the refundable amount of the property tax credit?
9. Sec A-38 should have an application or an effective date.
10. Sections E-4 and E-5 (repeal of the Maine Residents Property Tax and Rent Program & the Municipal Property Tax Assistance Program) take effect August 1, 2013. Instead of repealing the chapter, should the provision end the program with an immediate effective date? The ability to continue to process, audit and pay applications for filed years should remain.
11. Section B-3 – the stricken language should be removed.
12. Section B-12 – effective date change:
- (4) The sale of labor and parts used in the performance of repair services under a service or maintenance contract sold on or after ~~November~~ December 1, 2013;
13. Section B-28:

- Under this proposal a seller that starts up late in the year may fall under the \$5000 threshold, even though the following year well exceeds the threshold, and be able to exempt all sales for the entire following year. This same provision was in the last tax reform bill (LD 1495) and the following language was offered as an amendment. Under this suggestion, the small seller exemption would exist if the sales during the current year, not the prior year, do not exceed \$5000.

95. Certain taxable services. Except for casual rentals exempt pursuant to section 1764, the sale of a taxable service sold by a person that, for that calendar year, makes no more than \$5,000 of sales of services taxable under this Part.

- "Retail sale" excludes "casual sales". There may be an issue of a person selling one of the new taxable services, who claims their sales are casual notwithstanding the \$5000 threshold. For instance, would a person operating a home show once a year be able to claim casual even though their admissions were \$50,000? MRS would argue that the admissions were "repeated and successive transactions" even though it was a one-time event. Clarification may be needed.

14. Section H-3:

- Effective date change

§4365-G. Application of cigarette tax rate increase effective December 1, 2013

The following provisions apply to cigarettes held for resale on ~~November~~ December 1, 2013.

3. Vending machines. Notwithstanding any other provision of this chapter, it is presumed that all cigarette vending machines are filled to capacity on December 1, 2013 and that the tax imposed by this section must be reported on that basis. A credit against this inventory tax must be allowed for cigarettes stamped at the rate of 175 mills per cigarette placed in vending machines before ~~November~~ December 1, 2013.

- New Section is needed to adjust the discount rate found in §4366-A to avoid a windfall for distributors.

15. Section H-7 – effective date change:

1. Smokeless tobacco. A tax is imposed on all smokeless tobacco, including chewing tobacco and snuff, at the rate of 132% of the wholesale sales price or \$2.67 per consumer container or package, whichever tax is greater, beginning ~~October~~ December 1, 2013.

16. Section H-8– effective date change:

2. Other tobacco. A tax is imposed on cigars other than little cigars, pipe tobacco and other tobacco intended for smoking, other than roll-your-own tobacco, at the rate of 20% ~~30%~~ of the wholesale sales price beginning ~~October~~ December 1, 2005 2013.

17. Section J-1:

- Does the retailer compensation apply to sales tax, as suggested by the words "reporting and collecting" or to both sales and use tax as suggested by the words "tax under this Part"? Clarification is needed.

- As drafted, a taxpayer could argue that it's entitled to the discount if it files a timely return but only includes payment for a portion (even a small portion) of what's due – because it refers generally to “taxes” being paid. We suggest it read something like “...and for which **all taxes** due with the return...” are paid.
- The effective date for this section is December 2014; a year beyond the sales tax changes. Was this the intent?
- By rule, the assessor permits retailers with more than one location in the state to file a consolidated return with an attached schedule detailing sales at each location. This consolidated return would be considered “the return” on which the .5% compensation rate would be applied to a max of \$1000. Is this the intent? If so, it may be possible that a retailer chooses to no longer file consolidated and file each location separately to maximize the amount of compensation. For example, a retailer with 20 stores, each at the maximum compensation would be able to retain \$20,000 rather than \$1,000 based on the consolidated return.

Similar Legislative Proposals:

LD 1088 (124th 1st)
LD 1495 (124th 1st)
LD 1113 (126th 1st)

cc (by e-mail): Office of Fiscal & Program Review
Office of DAFS Commissioner
Office of the Attorney General
Office of Policy & Legal Analysis

State Budget Office
Office of the Governor
Revisor's Office
Office of Information Technology

Preliminary Revenue Estimate for LD 1496 - An Act to Modernize and Simplify the Tax Code

	FY14	FY15	Biennium	FY16	FY17	Biennium
PART F - Revenue Sharing						
Current Law Revenue Sharing @ 5% of Sales & Income Taxes	(\$135,831,482)	(\$141,486,299)	(\$277,317,781)	(\$156,185,546)	(\$153,325,194)	(\$309,510,740)
<u>Proposed Law Revenue Sharing @ 3.5% and 1.5% of Sales & Income Taxes</u>	<u>(\$98,083,180)</u>	<u>(\$49,277,803)</u>	<u>(\$147,360,983)</u>	<u>(\$45,655,664)</u>	<u>(\$44,797,558)</u>	<u>(\$90,453,222)</u>
General Fund Change in Baseline Revenue Sharing	\$37,748,302	\$92,208,496	\$129,956,798	\$110,529,882	\$108,527,636	\$219,057,518
PART A - 4.95%, 4.5% & 4% Individual Income Tax with Sales and Property Tax Fairness Credits (Effective January 1, 2013 for Property Tax Fairness Credit and January 1, 2014 for all other changes)						
<u>Individual Income Tax Changes</u>	<u>(\$317,210,000)</u>	<u>(\$517,978,000)</u>	<u>(\$835,188,000)</u>	<u>(\$627,637,000)</u>	<u>(\$701,152,000)</u>	<u>(\$1,328,789,000)</u>
General Fund	(\$306,107,650)	(\$510,208,330)	(\$816,315,980)	(\$618,222,445)	(\$690,634,720)	(\$1,308,857,165)
Local Government Fund	(\$11,102,350)	(\$7,769,670)	(\$18,872,020)	(\$9,414,555)	(\$10,517,280)	(\$19,931,835)
PART B - Expand Sales Tax Base and Increase Sales and Service Provider Tax Rate to 6% (Effective October 1, 2013)						
<u>General Sales and Service Provider Tax Changes</u>	<u>\$286,428,012</u>	<u>\$513,201,700</u>	<u>\$799,629,712</u>	<u>\$533,539,400</u>	<u>\$555,486,300</u>	<u>\$1,089,025,700</u>
General Fund	\$276,403,032	\$505,503,675	\$781,906,706	\$525,536,309	\$547,154,006	\$1,072,690,315
Local Government Fund	\$10,024,980	\$7,698,026	\$17,723,006	\$8,003,091	\$8,332,295	\$16,335,386
<u>Increase Meals and Lodging Rates to 8% and 10% Respectively</u>	<u>\$19,553,917</u>	<u>\$42,586,600</u>	<u>\$62,140,517</u>	<u>\$44,129,100</u>	<u>\$45,809,800</u>	<u>\$89,938,900</u>
General Fund	\$18,869,530	\$40,267,182	\$59,136,712	\$38,384,510	\$39,855,900	\$78,240,410
Local Government Fund	\$684,387	\$638,799	\$1,323,186	\$661,937	\$687,147	\$1,349,084
Transfers to Tourism Fund	\$0	\$2,308,197	\$2,308,197	\$5,082,654	\$5,266,753	\$10,349,407
<u>Other Prepared Food</u>	<u>\$5,581,978</u>	<u>\$9,965,200</u>	<u>\$15,547,178</u>	<u>\$10,326,300</u>	<u>\$10,719,400</u>	<u>\$21,045,700</u>
General Fund	\$5,386,609	\$8,942,402	\$14,329,011	\$8,580,038	\$8,909,601	\$17,489,639
Local Government Fund	\$195,369	\$149,478	\$344,847	\$154,895	\$160,791	\$315,686
Transfers to Tourism Fund	\$0	\$873,320	\$873,320	\$1,591,368	\$1,649,008	\$3,240,376
<u>Short-term Auto Rental to 15%</u>	<u>\$1,582,250</u>	<u>\$3,276,500</u>	<u>\$4,858,750</u>	<u>\$3,395,200</u>	<u>\$3,524,500</u>	<u>\$6,919,700</u>
General Fund	\$1,526,871	\$1,700,482	\$3,227,353	\$116,919	\$127,361	\$244,280
Local Government Fund	\$55,379	\$49,148	\$104,526	\$50,928	\$52,868	\$103,796
Transfers to Multimodal Transportation Fund	\$0	\$1,526,871	\$1,526,871	\$3,227,353	\$3,344,272	\$6,571,625
Total Part B	\$313,146,157	\$569,030,000	\$882,176,157	\$591,390,000	\$615,540,000	\$1,206,930,000
General Fund	\$302,186,042	\$556,413,740	\$858,599,782	\$572,617,775	\$596,046,867	\$1,168,664,642
Local Government Fund	\$10,960,115	\$8,535,450	\$19,495,565	\$8,870,850	\$9,233,100	\$18,103,950
Transfers to Tourism Marketing Fund	\$0	\$3,181,517	\$3,181,517	\$6,674,022	\$6,915,761	\$13,589,783
Transfers to Multimodal Transportation Fund	\$0	\$1,526,871	\$1,526,871	\$3,227,353	\$3,344,272	\$6,571,625
PART C - Repeal Estate Tax (Effective January 1, 2015)						
General Fund	\$0	\$0	\$0	(\$25,276,343)	(\$29,088,207)	(\$54,364,550)
PART D - Change Homestead Exemption to lesser of 50% of Just Value or \$50,000 (Effective April 1, 2014)						
General Fund Appropriation	\$0	\$72,859,875	\$72,859,875	\$100,491,125	\$102,318,544	\$202,809,669
PART E - Repeal Maine Residents Property Tax Program (Effective August 1, 2013)						
General Fund	\$56,696,000	\$59,510,000	\$116,206,000	\$60,163,000	\$63,308,000	\$123,471,000
PART G - Increase Real Estate Transfer Tax (Effective October 1, 2013)						
General Fund	\$16,850,400	\$35,385,840	\$52,236,240	\$37,155,132	\$39,012,889	\$76,168,021
PART H - Increase Cigarette Excise Tax to \$3.50 per Pack and Tobacco Equalization (Effective October 1, 2013)						
<u>Cigarette Tax Increase</u>	<u>\$39,710,230</u>	<u>\$57,011,300</u>	<u>\$96,721,530</u>	<u>\$57,253,500</u>	<u>\$57,475,300</u>	<u>\$114,728,800</u>
<u>Tobacco Products Tax Equalization</u>	<u>\$7,197,720</u>	<u>\$12,387,800</u>	<u>\$19,585,520</u>	<u>\$12,790,300</u>	<u>\$13,215,100</u>	<u>\$26,005,400</u>
Total Part H	\$46,907,950	\$69,399,100	\$116,307,050	\$70,043,800	\$70,690,400	\$140,734,200
PART I - Increase by 100% Excise Tax and Premium Tax on Beer and Wine (Effective October 1, 2013)						
<u>Beer and Wine Tax Increase</u>	<u>\$6,894,924</u>	<u>\$11,955,500</u>	<u>\$18,850,424</u>	<u>\$12,022,900</u>	<u>\$12,091,400</u>	<u>\$24,114,300</u>
PART J - Retailer Discount Equal to Greater of 0.5% or \$1,000 per period (Effective October 1, 2013)						
<u>Vendor Fee</u>	<u>(\$3,150,000)</u>	<u>(\$4,200,000)</u>	<u>(\$7,350,000)</u>	<u>(\$4,200,000)</u>	<u>(\$4,200,000)</u>	<u>(\$8,400,000)</u>
General Fund	(\$3,039,750)	(\$4,137,000)	(\$7,176,750)	(\$4,137,000)	(\$4,137,000)	(\$8,274,000)
Local Government Fund	(\$110,250)	(\$63,000)	(\$173,250)	(\$63,000)	(\$63,000)	(\$126,000)
PART K - Fund for the Efficient Delivery of Local and Regional Services (Effective April 1, 2014)						
General Fund Appropriation	\$1,000,000	\$1,000,000	\$2,000,000	\$1,000,000	\$1,000,000	\$2,000,000
General Fund Revenues	\$158,136,218	\$310,527,346	\$468,663,564	\$214,896,701	\$165,817,264	\$380,713,966
Local Government Fund	(\$38,000,787)	(\$91,505,716)	(\$129,506,503)	(\$111,136,587)	(\$109,874,816)	(\$221,011,403)
Tourism Marketing Fund	\$0	\$3,181,517	\$3,181,517	\$6,674,022	\$6,915,761	\$13,589,783
Multimodal Transportation Fund	\$0	\$1,526,871	\$1,526,871	\$3,227,353	\$3,344,272	\$6,571,625
General Fund Appropriations	\$1,000,000	\$73,859,875	\$74,859,875	\$101,491,125	\$103,318,544	\$204,809,669
Net General Fund Impact ("-" = deficit)	\$157,136,218	\$236,667,471	\$393,803,689	\$113,405,576	\$62,498,720	\$175,904,297
Net Increase in State Level Taxes	\$120,135,431	\$223,102,440	\$343,237,871	\$113,661,489	\$66,202,481	\$179,863,971

Maine Resident Income + Sales + Property Tax Less Circuit Breaker/Property Tax Credit in 2014, Current Law and LD 1496 with 4.95% Rate

Tax year 2014 revenues

Expanded income	Current Law			LD 1496			Families with a tax cut			Families with a tax increase						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Tax Families	Tax Liability (\$ MIL)	Percentage Distribution	Percentage Distribution	Tax Liability (\$ MIL)	Percentage Distribution	Change in Tax Liability (\$ MIL)	Percent Tax Change	Average Tax Change	Share of tax reduction (percent)	Number of families	Change in Tax Liability (\$ MIL)	Average Tax Decrease	Number of families	Change in Tax Liability (\$ MIL)	Average Tax Increase
-\$ Infinity <=	17697	138,210	3.9%	3.9%	\$123.9	3.9%	-\$1.2	-1.0%	-\$9	4.2%	72,996	-\$28.9	-\$396	56,973	\$27.7	\$487
17697 <=	24713	69,107	2.8%	2.8%	\$83.3	2.6%	-\$5.4	-6.1%	-\$78	19.0%	35,818	-\$18.2	-\$507	31,731	\$12.8	\$402
24713 <=	32564	69,105	4.2%	4.1%	\$131.3	4.1%	-\$4.8	-3.6%	-\$70	17.1%	34,247	-\$19.8	-\$578	34,110	\$15.0	\$438
32564 <=	40944	69,103	5.5%	5.4%	\$172.0	5.4%	-\$4.6	-2.6%	-\$67	16.2%	34,398	-\$20.5	-\$595	34,279	\$15.9	\$462
40944 <=	51872	69,103	7.4%	7.3%	\$233.2	7.3%	-\$5.7	-2.4%	-\$82	19.9%	36,139	-\$21.1	-\$585	32,756	\$15.5	\$473
51872 <=	65990	69,105	9.5%	9.5%	\$304.2	9.5%	-\$2.8	-0.9%	-\$40	9.8%	40,233	-\$19.9	-\$494	28,840	\$17.1	\$593
65990 <=	85271	69,104	11.9%	12.3%	\$393.2	12.3%	\$10.0	2.6%	\$145	-35.2%	36,054	-\$15.7	-\$435	33,036	\$25.7	\$777
85271 <=	119020	69,104	16.1%	16.7%	\$533.4	16.7%	\$14.8	2.9%	\$214	-52.2%	36,135	-\$19.0	-\$526	32,966	\$33.8	\$1,026
119020 <= \$ Infinity	69,105	\$1,244.1	38.7%	38.1%	\$1,215.4	38.1%	-\$28.7	-2.3%	-\$416	101.2%	38,390	-\$94.5	-\$2,462	30,710	\$65.8	\$2,142
Totals	691,045	\$3,218.3	100.0%	100.0%	\$3,189.9	100.0%	-\$28.4	-0.9%	-\$41	100.0%	364,410	-\$257.6	-\$707	315,403	\$229.2	\$727

Top Decile Decomposition: 90-95, 95-99, and 99+ .

119020 <=	157633	34,553	368.7	11.5%	\$379.4	11.9%	\$10.7	2.9%	\$310	-37.8%	17,282	-\$11.3	-\$654	17,268	\$22.0	\$1,276
157633 <=	324369	27,642	468.9	14.6%	\$476.8	14.9%	\$7.9	1.7%	\$285	-27.8%	14,946	-\$18.8	-\$1,256	12,694	\$26.7	\$2,100
324369 <= \$ Infinity	6,910	406.5	6.910	12.6%	\$359.2	11.3%	-\$47.3	-11.6%	-\$6,851	166.8%	6,161	-\$64.4	-\$10,459	748	\$17.1	\$22,850

Department of Administrative and Financial Services
 Maine Revenue Services
 Office of Tax Policy

Maine Resident Income + Sales + Property Tax Less Circuit Breaker/Property Tax Credit in 2014, Current Law and LD 1496 with 4.5% Rate

Tax year 2014 revenues

(1) Expanded income	(2) Tax Families	(3) Current Law				(4) LD 1496				(7) Change in Tax Liability (\$ MIL)	(8) Percent Tax Change	(9) Average Tax Change	(10) Share of tax reduction (percent)	(11) Families with a tax cut			(12) Families with a tax increase			(15) Change in Tax Liability (\$ MIL)	(16) Average Tax Increase
		(3) Tax Liability (\$ MIL)	(4) Percentage Distribution	(5) Tax Liability (\$ MIL)	(6) Percentage Distribution	(7) Change in Tax Liability (\$ MIL)	(8) Percent Tax Change	(9) Average Tax Change	(10) Share of tax reduction (percent)					(11) Number of families	(12) Change in Tax Liability (\$ MIL)	(13) Average Tax Decrease	(14) Number of families	(15) Change in Tax Liability (\$ MIL)	(16) Average Tax Increase		
-\$ infinity <=	17687	\$125.1	3.9%	\$123.4	4.0%	-\$1.8	-1.4%	-\$13	1.5%	73,316	-\$29.0	-\$396	56,653	\$27.3	\$481						
17687 <=	24713	\$88.7	2.8%	\$82.0	2.6%	-\$6.7	-7.5%	-\$97	5.9%	36,078	-\$18.4	-\$511	31,471	\$11.7	\$373						
24713 <=	32564	\$136.2	4.2%	\$129.2	4.2%	-\$7.0	-5.1%	-\$101	6.1%	35,076	-\$20.3	-\$579	33,280	\$13.3	\$401						
32564 <=	40944	\$176.6	5.5%	\$168.9	5.4%	-\$7.7	-4.4%	-\$112	6.8%	35,641	-\$21.4	-\$602	33,037	\$13.7	\$415						
40944 <=	51872	\$238.8	7.4%	\$229.0	7.4%	-\$9.8	-4.1%	-\$142	8.6%	40,529	-\$22.9	-\$565	28,366	\$13.1	\$461						
51872 <=	65990	\$307.0	9.5%	\$298.6	9.6%	-\$8.4	-2.7%	-\$121	7.3%	45,089	-\$23.1	-\$512	23,984	\$14.7	\$613						
65990 <=	85271	\$383.2	11.9%	\$385.0	12.4%	\$1.8	0.5%	\$26	-1.6%	40,533	-\$20.3	-\$500	28,557	\$22.1	\$773						
85271 <=	119020	\$518.6	16.1%	\$520.8	16.8%	\$2.2	0.4%	\$32	-1.9%	41,009	-\$26.6	-\$648	28,092	\$28.8	\$1,025						
119020 <= \$ infinity	69,105	\$1,244.1	38.7%	\$1,167.2	37.6%	-\$76.9	-6.2%	-\$1,113	67.3%	45,971	-\$131.9	-\$2,870	23,129	\$35.0	\$2,378						
Totals	691,045	\$3,218.3	100.0%	\$3,104.1	100.0%	-\$114.2	-3.5%	-\$165	100.0%	393,242	-\$313.9	-\$798	286,570	\$199.7	\$697						

Top Decile Decomposition: 90-95, 95-99, and 99+.

119020 <=	157633	\$368.7	11.5%	\$370.6	11.9%	\$1.9	0.5%	\$56	-1.7%	20,225	-\$16.7	-\$824	14,325	\$18.6	\$1,298
157633 <=	324369	\$468.9	14.6%	\$456.4	14.7%	-\$12.5	-2.7%	-\$453	11.0%	19,403	-\$32.9	-\$1,694	8,237	\$20.3	\$2,471
324369 <= \$ infinity	6,910	\$406.5	12.6%	\$340.2	11.0%	-\$66.3	-16.3%	-\$9,599	58.1%	6,343	-\$82.4	-\$12,990	567	\$16.1	\$28,332

Department of Administrative and Financial Services
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Maine Resident Income + Sales + Property Tax Less Circuit Breaker/Property Tax Credit in 2014, Current Law and LD 1496 with 4% Rate

Tax year 2014 revenues

(1) Expanded income	(2) Tax Families	(3) Current Law				(4) LD 1496				(5) Families with a tax cut				(6) Families with a tax increase			
		(3) Tax Liability (\$ MIL)	(4) Percentage Distribution	(5) Tax Liability (\$ MIL)	(6) Percentage Distribution	(7) Change in Tax Liability (\$ MIL)	(8) Percent Tax Change	(9) Average Tax Change	(10) Share of tax reduction (percent)	(11) Number of families	(12) Change in Tax Liability (\$ MIL)	(13) Average Tax Decrease	(14) Number of families	(15) Change in Tax Liability (\$ MIL)	(16) Average Tax Increase		
-\$ Infinity <=	17697	\$125.1	3.9%	\$122.9	4.1%	-\$2.2	-1.8%	-\$16	1.1%	73,433	-\$29.1	-\$396	56,536	\$26.9	\$475		
17697 <=	24713	\$88.7	2.8%	\$80.8	2.7%	-\$7.9	-8.9%	-\$114	3.9%	36,365	-\$18.7	-\$513	31,184	\$10.8	\$346		
24713 <=	32564	\$136.2	4.2%	\$127.3	4.2%	-\$8.8	-6.5%	-\$128	4.3%	35,683	-\$20.8	-\$583	32,674	\$12.0	\$366		
32564 <=	40944	\$176.6	5.5%	\$166.2	5.5%	-\$10.4	-5.9%	-\$150	5.1%	36,882	-\$22.3	-\$605	31,796	\$11.9	\$376		
40944 <=	51872	\$238.8	7.4%	\$225.5	7.5%	-\$13.3	-5.6%	-\$193	6.5%	47,200	-\$25.0	-\$529	21,695	\$11.7	\$537		
51872 <=	65980	\$307.0	9.5%	\$294.0	9.8%	-\$13.0	-4.2%	-\$188	6.4%	48,457	-\$26.2	-\$541	20,616	\$13.2	\$639		
65980 <=	85271	\$383.2	11.9%	\$376.9	12.5%	-\$6.2	-1.6%	-\$90	3.0%	44,841	-\$25.5	-\$568	24,249	\$19.3	\$795		
85271 <=	119020	\$518.6	16.1%	\$509.7	16.9%	-\$8.9	-1.7%	-\$129	4.4%	44,768	-\$34.3	-\$766	24,333	\$25.4	\$1,044		
119020 <= \$ Infinity	69,105	\$1,244.1	38.7%	\$1,111.1	36.9%	-\$133.0	-10.7%	-\$1,925	63.3%	52,580	-\$179.5	-\$3,413	16,521	\$46.5	\$2,812		
Totals	691,045	\$3,218.3	100.0%	\$3,014.6	100.0%	-\$203.7	-6.3%	-\$295	100.0%	420,208	-\$381.3	-\$907	259,605	\$177.6	\$684		
Top Decile Decomposition: 90-95, 95-99, and 99+:																	
119020 <=	157633	\$368.7	11.5%	\$359.2	11.9%	-\$9.5	-2.6%	-\$275	4.7%	23,330	-\$24.6	-\$1,056	11,221	\$15.2	\$1,350		
157633 <=	324369	\$468.9	14.6%	\$432.6	14.4%	-\$36.3	-7.7%	-\$1,314	17.8%	22,774	-\$52.4	-\$2,299	4,865	\$16.0	\$3,293		
324369 <= \$ Infinity	6,910	\$406.5	12.6%	\$319.3	10.6%	-\$87.2	-21.4%	-\$12,618	42.8%	6,475	-\$102.5	-\$15,826	435	\$15.3	\$35,181		

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