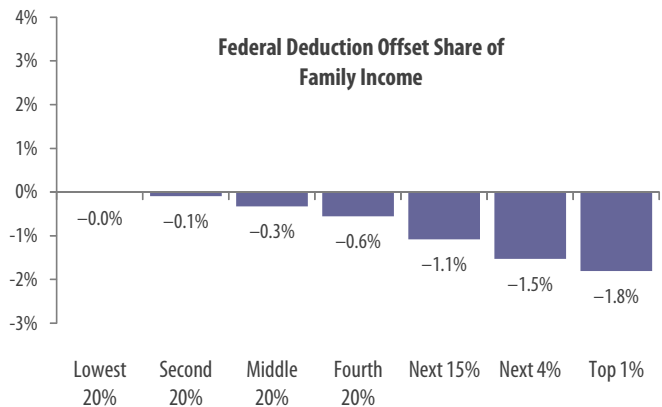
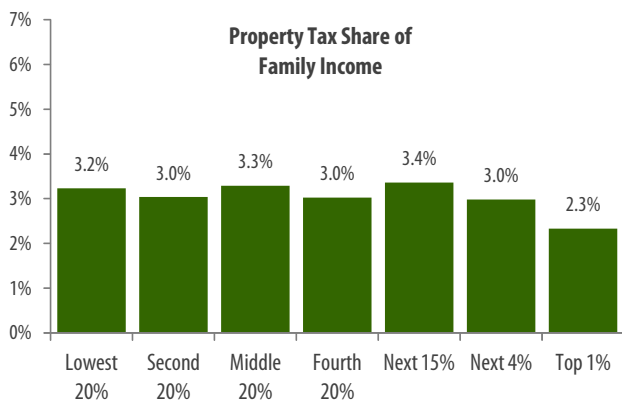
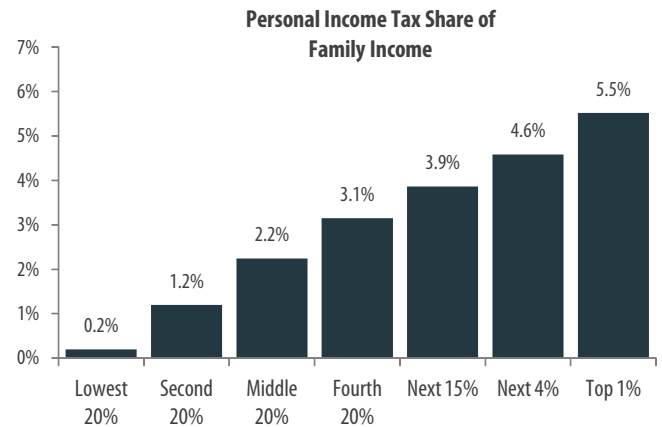
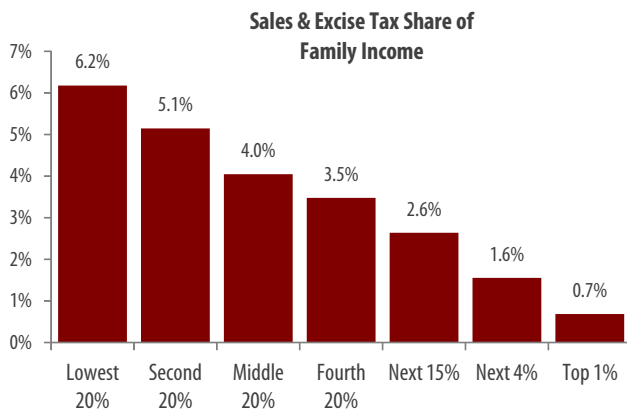
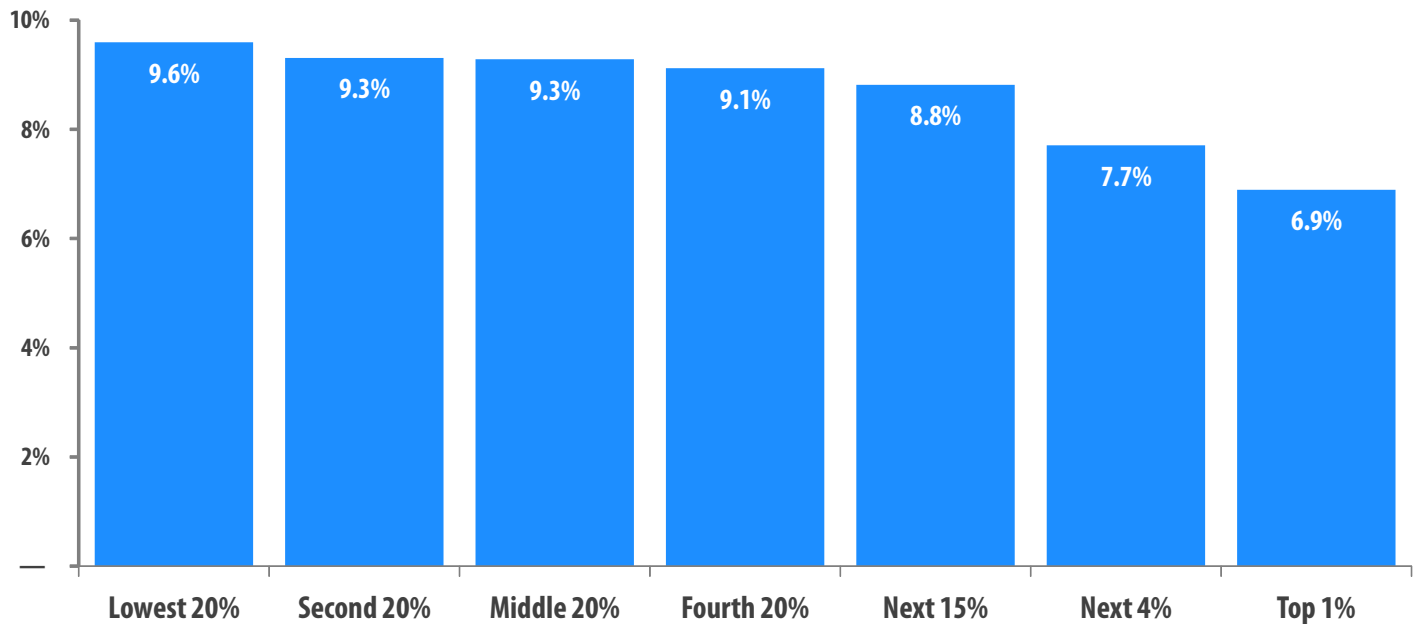


Maine State & Local Taxes

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Maine enacted through January 2, 2013 at 2010 income levels (does not assume reduction of top rate to 4%). Top figure represents total state and local taxes as a share of income, post-federal offset.

Maine State & Local Taxes

Details, Tax Code Features, & Recent Developments

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$19,000	\$19,000 – \$32,000	\$32,000 – \$49,000	\$49,000 – \$79,000	\$79,000 – \$146,000	\$146,000 – \$328,000	\$328,000 or more
Average Income in Group	\$11,800	\$25,100	\$40,400	\$62,000	\$100,900	\$197,900	\$703,200
Sales & Excise Taxes	6.2%	5.1%	4.0%	3.5%	2.6%	1.6%	0.7%
General Sales—Individuals	2.4%	2.3%	2.0%	1.7%	1.4%	0.9%	0.4%
Other Sales & Excise—Ind.	2.1%	1.4%	1.0%	0.8%	0.6%	0.3%	0.1%
Sales & Excise on Business	1.6%	1.4%	1.1%	0.9%	0.7%	0.4%	0.2%
Property Taxes	3.2%	3.0%	3.3%	3.0%	3.4%	3.0%	2.3%
Property Taxes on Families	3.0%	2.8%	3.0%	2.7%	3.0%	2.2%	1.1%
Other Property Taxes	0.2%	0.3%	0.3%	0.3%	0.4%	0.8%	1.2%
Income Taxes	0.2%	1.2%	2.3%	3.2%	3.9%	4.7%	5.7%
Personal Income Tax	0.2%	1.2%	2.2%	3.1%	3.9%	4.6%	5.5%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Total Taxes	9.6%	9.4%	9.6%	9.7%	9.9%	9.2%	8.7%
Federal Deduction Offset	0.0%	-0.1%	-0.3%	-0.6%	-1.1%	-1.5%	-1.8%
OVERALL TOTAL	9.6%	9.3%	9.3%	9.1%	8.8%	7.7%	6.9%

Note: Table shows detailed breakout of data on previous page.

Progressive Features

- ✓ Provides an earned income tax credit, a property tax “circuit breaker”, and other low-income credits
- ✓ Requires the use of combined reporting

Regressive Features

- ✗ Comparatively high cigarette tax rate

Recent Developments

- ▲ Income and Sales tax base broadening reform enacted in 2009 was overturned by voters
- ▲ Restructured personal income tax brackets and rates and created a 0 percent bottom bracket
- ▲ Increased the standard deduction and personal exemption to equal the federal amounts
- ▲ 20% of any annual surplus revenues will be used to reduce the top income tax rate to 4% over time
- ▲ Eliminated the Alternative Minimum Tax (AMT)
- ▲ Reduced the property tax circuit breaker benefit
- ▲ Increased the estate tax exemption from \$1 to \$2 million

Impact of Cutting Maine's Top Rate to 4%

(Assumes full implementation on top of other fully-phased in personal income tax cuts)
Tax Cut as Share of Inc

