

Shaded LDs have been voted on by the Committee

# PH 5/3/2023-1pm

**TAXATION COMMITTEE  
131<sup>st</sup> LEGISLATURE  
1st REG SESSION**

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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
1544	1661	5/4		Terry	An Act to Improve Economic Security for Maine Children by Establishing the Maine Dependent Tax Credit	<p>This bill enacts a new Maine dependent income tax credit to replace the existing dependent tax credit tax credit for tax years beginning in 2023 or after.</p> <p><b>Current credit:</b> \$300 for each child and dependent of the taxpayer for whom the federal child tax credit is claimed for the same year. The credit is reduced if the taxpayer's FAGI exceeds \$400,000 (married joint) or \$200,000 (other filers).</p> <p><b>The bill:</b> The dependent tax credit created by this bill is available for a <u>dependent who has resided with the taxpayer claiming the credit for at least 6 months of the tax year and for whom the taxpayer has provided more than 50% of that dependent's financial support during the tax year.</u></p> <p>The tax credit is <u>fully refundable and may not be counted as income, an asset or a resource for purposes of state or municipal benefits.</u></p> <p>The tax credit for 2023 is \$350 for each dependent but is annually indexed for inflation.</p> <p>The bill <u>requires the State Tax Assessor to make the application for the child tax credit available</u> as part of the sales tax fairness credit or property tax fairness credit application or through another simplified application.</p>			

<sup>1</sup> . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

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						<p>The STA is <u>required to work with the Commissioner of Health and Human Services to make the application for the credit available from the Department of Health and Human Services' state benefits web portal</u>, My Maine Connection.</p> <p>Finally, the bill <u>requires the STA to include in the “red book” specific information about the tax credit</u>, including the number of taxpayers claiming the credit and the number of children and dependents claimed in order to obtain the tax credit.</p>			
1582	636	5/4		Doudera	An Act to Clarify What Constitutes a Homestead for the Homestead Property Tax Exemption	<p>This bill provides that a homestead, for purposes of <u>qualifying for the Maine resident homestead property tax exemption, property must be a legally established dwelling that meets all relevant state and local codes.</u></p>			