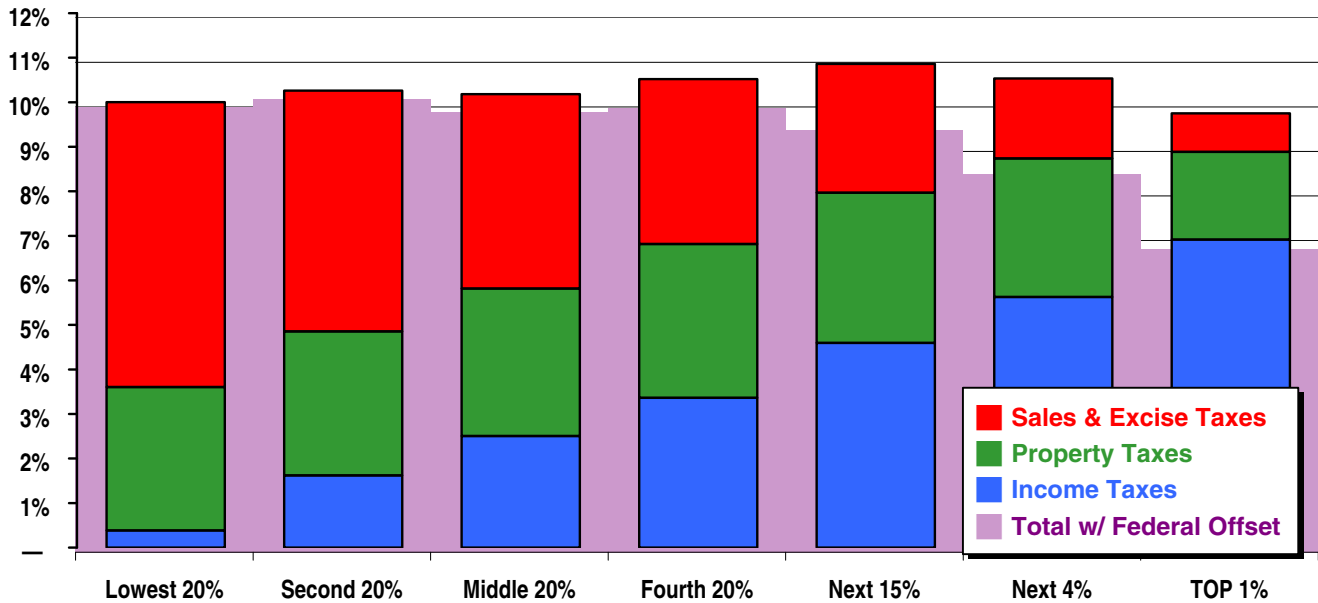


Maine

State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$15,000	\$15,000 – \$26,000	\$26,000 – \$40,000	\$40,000 – \$63,000	\$63,000 – \$116,000	\$116,000 – \$262,000	\$262,000 or more
Average Income in Group	\$9,400	\$20,300	\$32,800	\$49,900	\$80,100	\$156,600	\$477,400
Sales & Excise Taxes	6.4%	5.4%	4.4%	3.7%	2.9%	1.8%	0.9%
General Sales—Individuals	2.4%	2.4%	2.1%	1.9%	1.5%	1.0%	0.5%
Other Sales & Excise—Ind.	2.2%	1.4%	1.1%	0.9%	0.6%	0.3%	0.1%
Sales & Excise on Business	1.8%	1.6%	1.2%	1.0%	0.8%	0.5%	0.2%
Property Taxes	3.2%	3.2%	3.3%	3.5%	3.4%	3.1%	2.0%
Property Taxes on Families	3.1%	3.1%	3.1%	3.2%	3.0%	2.5%	1.2%
Other Property Taxes	0.1%	0.2%	0.2%	0.3%	0.4%	0.6%	0.8%
Income Taxes	0.4%	1.6%	2.5%	3.4%	4.6%	5.6%	6.9%
Personal Income Tax	0.4%	1.6%	2.5%	3.3%	4.6%	5.5%	6.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
TOTAL TAXES	10.0%	10.3%	10.2%	10.5%	10.9%	10.5%	9.7%
Federal Deduction Offset	-0.0%	-0.1%	-0.3%	-0.5%	-1.4%	-2.1%	-2.9%
TOTAL AFTER OFFSET	10.0%	10.2%	9.9%	10.0%	9.5%	8.5%	6.8%

Note: Table shows 2002 tax law at 2000 income levels.

Maine Details

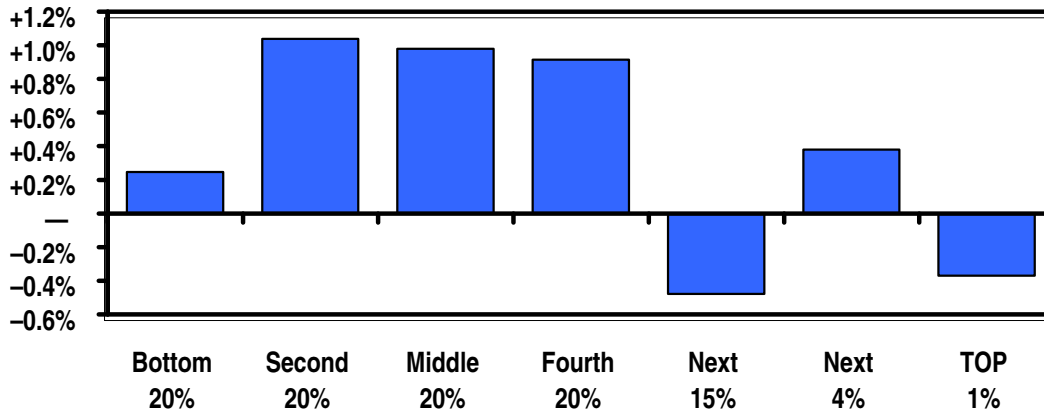
Progressive Features

- ✓ Low income and elderly circuit breakers
- ✓ Graduated rates
- ✓ Low income credits including Earned Income Tax Credit
- ✓ Tax brackets, standard deduction and personal exemption indexed

Regressive Features

- ✗ Credits not refundable

Changes in Tax as Share of Income, 1989 - 2002

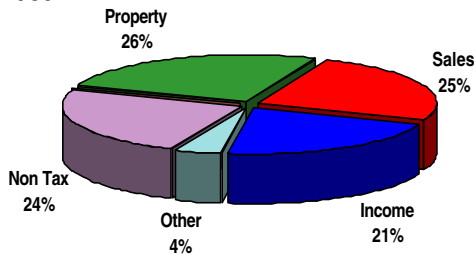


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+0.8%	+0.3%	+0.2%	+0.1%	+0.0%	-0.0%	-0.0%
Property	-0.4%	+0.6%	+0.5%	+0.5%	-0.7%	-0.1%	-0.1%
Income	-0.1%	+0.2%	+0.4%	+0.5%	+0.6%	+0.7%	+0.6%
Federal Offset	+0.0%	-0.1%	-0.1%	-0.2%	-0.4%	-0.2%	-0.9%
Overall Change	+0.2%	+1.0%	+1.0%	+0.9%	-0.5%	+0.4%	-0.4%

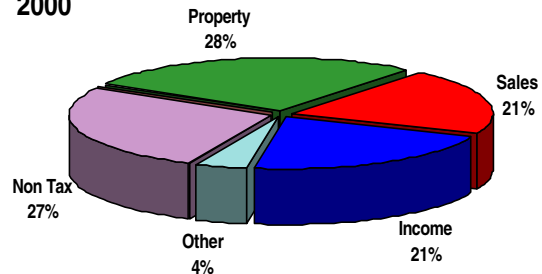
The introduction of indexing late in the decade couldn't undo the implicit tax hike inflation had already caused. The introduction of a small, non-refundable EITC offset these changes for the bottom 20%. Big hikes in cigarette taxes caused tax changes to be regressive overall.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census