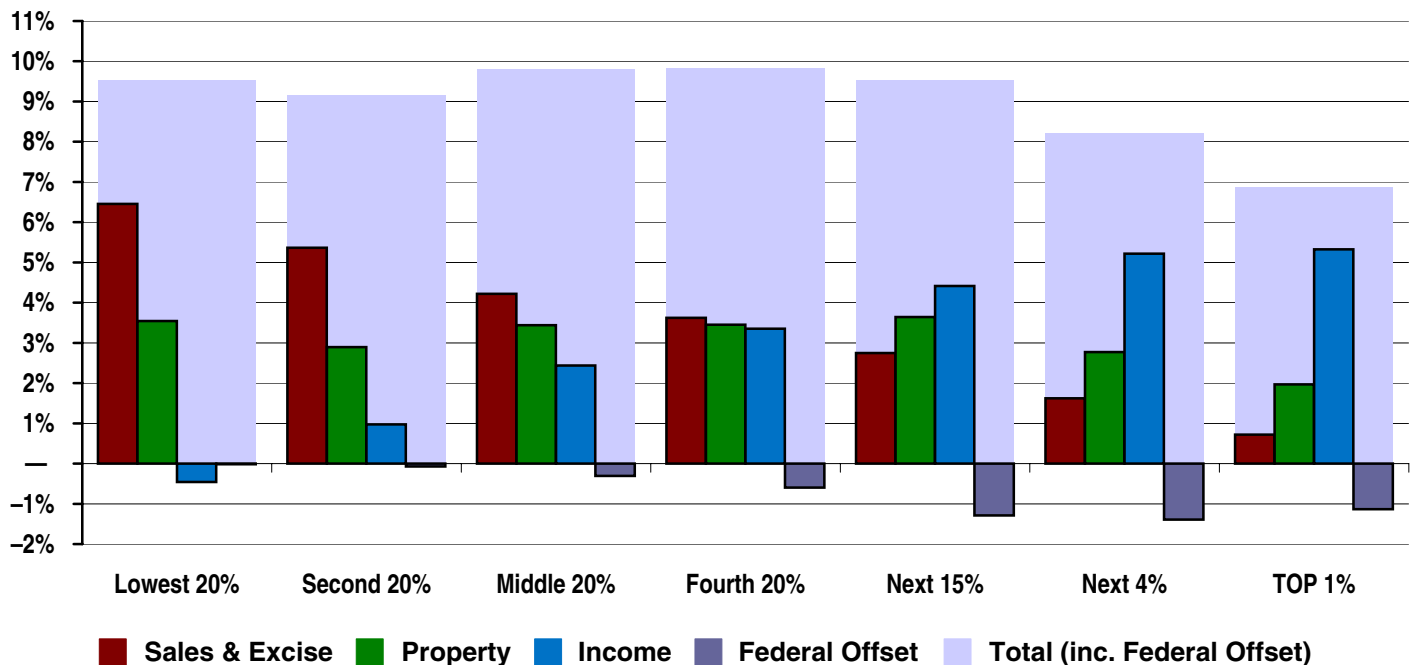


# Maine

## State & Local Taxes in 2007

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 \$17,000	\$17,000 – \$30,000	\$30,000 – \$48,000	\$48,000 – \$79,000	\$79,000 – \$149,000	\$149,000 – \$393,000	\$393,000 or more
Average Income in Group	\$11,000	\$24,100	\$39,300	\$61,300	\$102,100	\$222,400	\$977,600
<b>Sales &amp; Excise Taxes</b>	<b>6.5%</b>	<b>5.4%</b>	<b>4.2%</b>	<b>3.6%</b>	<b>2.7%</b>	<b>1.6%</b>	<b>0.7%</b>
General Sales—Individuals	2.6%	2.5%	2.1%	1.8%	1.5%	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	1.8%	1.5%	1.1%	1.0%	0.7%	0.4%	0.2%
<b>Property Taxes</b>	<b>3.5%</b>	<b>2.9%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>2.8%</b>	<b>2.0%</b>
Property Taxes on Families	3.3%	2.7%	3.2%	3.1%	3.3%	2.2%	1.0%
Other Property Taxes	0.2%	0.2%	0.3%	0.4%	0.4%	0.6%	1.0%
<b>Income Taxes</b>	<b>-0.5%</b>	<b>1.0%</b>	<b>2.4%</b>	<b>3.4%</b>	<b>4.4%</b>	<b>5.2%</b>	<b>5.3%</b>
Personal Income Tax	-0.5%	1.0%	2.4%	3.3%	4.4%	5.1%	5.2%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
<b>TOTAL TAXES</b>	<b>9.5%</b>	<b>9.2%</b>	<b>10.1%</b>	<b>10.4%</b>	<b>10.8%</b>	<b>9.6%</b>	<b>8.0%</b>
Federal Deduction Offset	-0.0%	-0.1%	-0.3%	-0.6%	-1.3%	-1.4%	-1.1%
<b>TOTAL AFTER OFFSET</b>	<b>9.5%</b>	<b>9.2%</b>	<b>9.8%</b>	<b>9.8%</b>	<b>9.5%</b>	<b>8.2%</b>	<b>6.9%</b>

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

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# Maine

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## State & Local Taxes

### Features, Developments, and Comparisons

#### *Progressive Features*

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

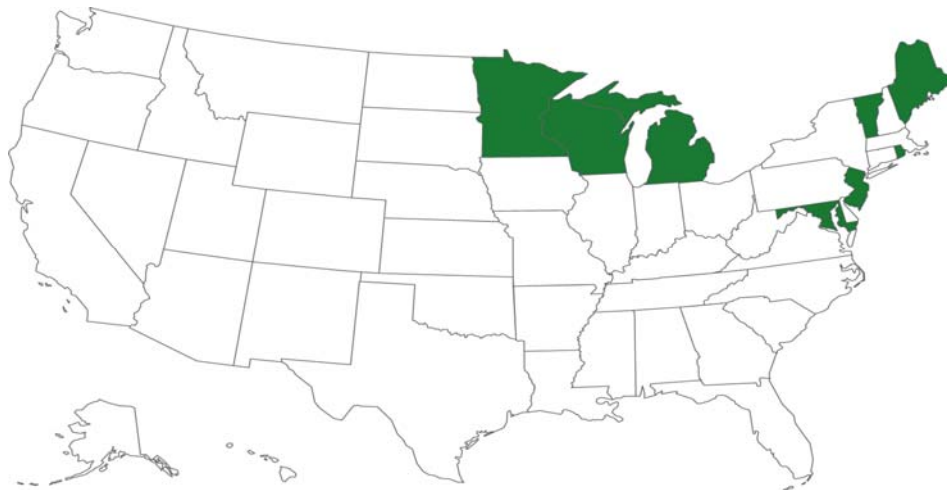
#### *Regressive Features*

- ✗ Comparatively high cigarette tax rate

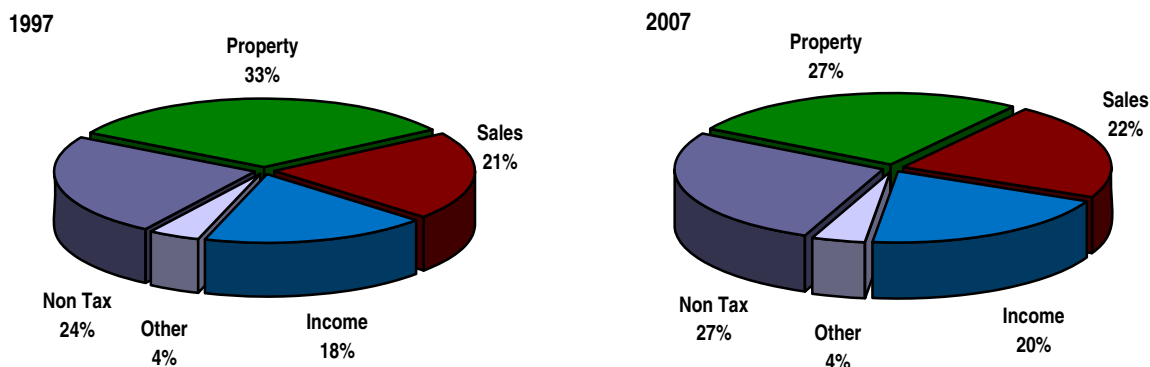
#### *Recent Developments*

- ▲ Broadened the income tax base by eliminating deductions and exemptions
- ▲ Lowered the top income tax rate from 8.5 to 6.85 percent and raised lowest rates to 6.5 percent
- ▲ Broadened the sales tax base to include a variety of services
- ▲ Increased cigarette taxes

#### *States with Notable Property Tax "Circuit Breaker" Credits*



#### *Change in the Composition of Revenue*



Source: U.S. Census Bureau, Government Finances