Total Revenue Reduction for Conforming to Various Provisions of the American Taxpayer Relief Act /1

Fiscal year	2013	2014	2015	2016	2017
(1) Married Joint Standard Deduction /2	$ -	$ (23,669,000)	$ (17,173,000)	$ (18,040,000)	$ (18,555,000)
(2) PEP and PEASE Delayed Phaseout /3	$ -	$ (4,346,000)	$ (3,310,000)	$ (3,444,000)	$ (3,513,000)
(3) Dependent Care Credit Expansion /4	$ -	$ (850,000)	$ (656,000)	$ (669,000)	$ (682,000)
(4) EITC Expansion /5	$ -	$ (351,000)	$ (271,000)	$ (276,000)	$ (282,000)
(5) Teacher Expense Deduction /6	$ (357,930)	$ (369,000)	$ -	$ -	$ -
(6) Student Loan Interest Deduction Expansion /7	$ -	$ (3,322,000)	$ (2,542,000)	$ (2,662,000)	$ (2,715,000)
(7) Tuition Expense Deduction /8	$ -	$ (1,024,000)	$ -	$ -	$ -
(8) Interaction Effect /9	$ -	$ (151,000)	$ (111,000)	$ (114,000)	$ (118,000)
Total, including interaction effect	$ (357,930)	$ (34,082,000)	$ (24,063,000)	$ (25,205,000)	$ (25,865,000)
Depreciation Related Provisions					
Bonus Depreciation - Capital Investment Credit @ 10% /10	$ -	$ (11,563,980)	$ (6,012,870)	$ 208,680	$ 1,330,890
Section 179 /11	$ (500,000)	$ (7,310,000)	$ 1,685,189	$ 1,375,283	$ 900,000
Total Depreciation Related Provisions	$ (500,000)	$ (18,873,980)	$ (4,327,681)	$ 1,583,963	$ 2,230,890
Total Revenue Impact of ATRA	$ (857,930)	$ (52,955,980)	$ (28,390,681)	$ (23,621,037)	$ (23,634,110)

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

1/ Assumes that all the tax year 2013 reduction occurs in FY 2014 and a 40/60 split for future tax years.

2/ Marriage penalty relief to make standard deduction for joint filers double that for single filers. The standard deduction for joint filers would increase from $10,150 to $12,200 in tax year 2013.

3/ Increases the starting point of the phase-out of personal exemptions (PEP) and itemized deductions (PEASE).

4/ Increases the credit rate, eligible expenses and point of phase-out.

5/ Increases the point of phase-out and extends length of phase-out. Also increases benefit for large families.

6/ Extends the $250 per person teacher expense deduction for tax years 2012 and 2013.

7/ Allows taxpayer to deduction interest beyond 60 months and increases phase-out range.

8/ Extends deduction for qualifited tuition and expenses for one year. Maine has not conformed to this deduction in the past.

9/ This shows the impact of the interaction of the various changes on taxpayer liability.

10/ Extends 50% bonus depreciation for the 2013 tax year. Estimates assumes continuation of the Maine Capital Investment Credit for one year.

11/ Extends Sec. 179 expensing amounts and threshold limits for tax years 2012 and 2013.