

What Maine Pays

Income Tax, the Payroll Tax, and the General Fund

Key points

- Maine taxes a single filer's taxable income at 5.8, 6.75, and 7.15 percent in 2026. The top rate starts at \$64,850.
- Starting in 2026, a new 2 percent surcharge applies to taxable income over \$1 million for a single filer and \$1.5 million for a married couple filing jointly.
- Since January 1, 2025, employers have paid a paid-leave premium of up to 1 percent of wages, and may take up to half of it from each paycheck. Benefits began May 1, 2026.
- Augusta's General Fund grew from \$7.2 billion for 2018-19 to \$12.0 billion for 2026-27: 66 percent more, and about 25 percent more after inflation.
- New Hampshire, next door, doesn't tax wages at all.

The income tax

Maine Revenue Services publishes the rates each year, adjusted for inflation. For 2026:¹

- Single filers: 5.8 percent of taxable income under \$27,400; \$1,589 plus 6.75 percent of the amount over \$27,400, up to \$64,850; and \$4,117 plus 7.15 percent of the amount over \$64,850.
- Married couples filing jointly: 5.8 percent under \$54,850; \$3,181 plus 6.75 percent of the amount over \$54,850, up to \$129,750; and \$8,237 plus 7.15 percent of the amount over \$129,750.
- Heads of household: 5.8 percent under \$41,100; \$2,384 plus 6.75 percent of the amount over \$41,100, up to \$97,300; and \$6,178 plus 7.15 percent of the amount over \$97,300.

The standard deduction is \$15,700 for a single filer and \$31,400 for a married couple filing jointly, and the personal exemption is \$5,300 per person.¹

The top rate isn't a tax on the rich. A single nurse, electrician, or teacher with \$64,850 of taxable income already pays 7.15 percent on the next dollar.

The new surcharge

For tax years beginning on or after January 1, 2026, Maine added a surcharge:

“the tax calculated above is increased by a surcharge of 2% on the portion of the taxpayer’s Maine taxable income greater than \$1,000,000 if filing single, \$750,000 if married filing separate; or \$1,500,000 if married filing jointly or head of household.”

Maine Revenue Services, 2026 Individual Income Tax Rates¹

That makes the top rate 9.15 percent on income above those amounts. The dollar thresholds are adjusted for inflation starting in 2027.¹

The paid-leave payroll tax

“Beginning January 1, 2025, the premium amount may not be more than a combined rate of 1.0% of wages.”

26 M.R.S. §850-F²

An employer with 15 or more employees may deduct up to half of the premium from each worker’s wages. An employer with fewer than 15 employees remits half the premium, and may deduct it from the worker’s wages.²

Benefits began May 1, 2026.³ For sixteen months, premiums were collected to build the fund before the program paid its first benefit. Most states with paid leave did the same; Maine’s wait was longer than most.

The budget

The state’s General Fund was about \$7.2 billion for the two years of 2018-19, counting later changes.⁴ For 2026-27 it is \$12.0 billion so far.⁵ That’s 66 percent more, about 25 percent more after inflation, and about 19 percent more per Mainer.^{7,8}

A bigger budget isn’t the same thing as a better one. The question the Legislature should answer, line by line, is what each dollar has accomplished.

Next door

New Hampshire has no tax on wages, and it has repealed its tax on interest and dividends.⁶ For a family in York County, that's a short drive.

Notes

1. **Maine Revenue Services, 2026 income tax rates**
https://www.maine.gov/revenue/sites/maine.gov/revenue/files/2026-05/ind_tax_rate_sched_2026_rev.pdf
2. **26 M.R.S. §850-F, paid family and medical leave premiums**
<https://legislature.maine.gov/statutes/26/title26sec850-F.html>
3. **Maine Department of Labor**
https://www.maine.gov/labor/news_events/article.shtml?id=13340124
4. **Office of Fiscal and Program Review, ten-year history of General Fund appropriations**
<https://legislature.maine.gov/doc/12523>
5. **Office of Fiscal and Program Review, General Fund status with the 2026 supplemental budget, August 2026**
<https://legislature.maine.gov/doc/12653>
6. **New Hampshire Department of Revenue Administration**
<https://www.revenue.nh.gov/news-and-media/repeal-nh-interest-and-dividends-tax-now-effect>
7. **U.S. Bureau of Labor Statistics, CPI for All Urban Consumers (series CUUR0000SA0)**
<https://data.bls.gov/timeseries/CUUR0000SA0>
8. **U.S. Census Bureau, state population estimates (2018 intercensal; Vintage 2025)**
<https://www2.census.gov/programs-surveys/popest/datasets/2020-2025/state/totals/NST-EST2025-ALLDATA.csv>

Mainers First takes the case to the people who make the rules: the Legislature in Augusta, city councils, and the agencies in between. It's a 501(c)(4) advocacy organization. Join at mainersfirst.org/join.

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