Maine

#40

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
40 ▼ 7	42 ▼ 1	42 ▼ 16	11 ▼ 2	46 ▼ 2	21 –

IN THE 2027 *Index*

Maine slid seven places, from 33rd to 40th, with the adoption of a 2 percent "high-income surcharge" that brings the state's top individual income tax rate to 9.15 percent on incomes over $1 million. The new rate also includes a large marriage penalty and gives Maine the eighth-highest top rate in the country.

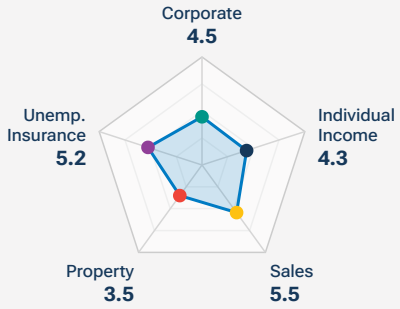
Maine outperforms many of its Northeastern peers but nevertheless performs poorly on the *Index*, with the property tax and corporate income tax being its least competitive tax types, and its individual income tax rank similarly lagging. In 2026, a new top rate of 9.15 percent was added for income above $1 million (or $1.5 million for joint filers, introducing a marriage penalty). This represents a 2 percentage point increase over the prior top rate and gives Maine the highest top rate in New England.

Maine's property tax structure is among the least competitive in the nation due to high rates, its levying of both an estate tax and a real estate transfer tax, and its taxation of tangible personal property without a de minimis exemption. However, Maine's high property taxes come as a trade-off for its lack of local sales taxes, which enables the state to maintain one of the lowest combined sales tax rates in the nation.

Maine includes net CFC tested income (NCTI) in its corporate tax base. Maine's throwout rule raises the tax burden Maine-based businesses face when they sell tangible property into states with which they do not have nexus. Additionally, Maine's lack of first-year expensing for C corporations discourages in-state investment, although its conformity to the Section 179 expensing allowance makes its treatment of small business investments more competitive than some of its peers.

Component scores

out of 10



Maine and its neighbors

Overall rank, 2027 Index, with change from 2026

New Hampshire	#6	–
Maine	**#40**	▼ 7