

# MAINE STATE LEGISLATURE

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# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 73

S.P. 26

In Senate, January 15, 2019

### **An Act To Provide an Income Tax Credit for Certain Student Loan Repayments**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator POULIOT of Kennebec.  
Cosponsored by Representative TIPPING of Orono and  
Senators: CHIPMAN of Cumberland, HERBIG of Waldo, SANBORN, H. of Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5217-E** is enacted to read:

3 **§5217-E. Credit for certain student loan repayments**

4 **1. Credit allowed.** An individual who is required to include in federal adjusted  
5 gross income all or a portion of the amount of student loan payments made directly to the  
6 individual's student loan lender by the Finance Authority of Maine, or an entity managed  
7 or administered by the Finance Authority of Maine, for residents of the State employed  
8 by a business located in the State is allowed a refundable credit equal to the amount  
9 required to be included in federal adjusted gross income multiplied by the individual's  
10 highest federal marginal income tax rate under the Code, Section 1.

11 **SUMMARY**

12 This bill provides an income tax credit for certain student loan repayments made by  
13 the Finance Authority of Maine or an entity managed or administered by the Finance  
14 Authority of Maine. The credit is equal to the amount an individual is required to include  
15 in federal adjusted gross income as the result of student loan payments made directly to  
16 the individual's student loan lender by the Finance Authority of Maine, or an entity  
17 managed or administered by the Finance Authority of Maine, for residents of the State  
18 employed by a business located in the State multiplied by the individual's highest federal  
19 marginal income tax rate.