

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1424

H.P. 1037

House of Representatives, March 28, 2019

An Act To Create an Access to Justice Income Tax Credit

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BAILEY of Saco.

Cosponsored by Representatives: CARDONE of Bangor, HEPLER of Woolwich, STEWART of Presque Isle, Senator: CARPENTER of Aroostook.

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

2 **Sec. 1. 36 MRSA §191, sub-§2, ¶HHH** is enacted to read:

3 HHH. The disclosure of information required to make the report required under
4 section 5219-VV, subsection 5.

5 **Sec. 2. 36 MRSA §5219-VV** is enacted to read:

6 **§5219-VV. Access to justice credit**

7 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
8 following terms have the following meanings.

9 A. "Court" means the Supreme Judicial Court or its designee.

10 B. "Eligible attorney" means a person eligible to practice law in the State under Title
11 4, chapter 17 who, after January 1, 2020:

12 (1) Agrees to practice law in a private practice setting in an underserved area for
13 at least 5 years by joining an existing legal practice, establishing a new legal
14 practice or purchasing an existing legal practice;

15 (2) Is rostered by the Maine Commission on Indigent Legal Services to accept
16 court appointments to represent clients in an underserved area;

17 (3) Agrees to perform pro bono legal services in an underserved area; and

18 (4) Is certified by the court under subsection 3 to be eligible for the credit under
19 this section.

20 C. "Underserved area" means an area in the State that is determined by the court to
21 be an area where there is insufficient access to legal services. When identifying
22 underserved areas, the court shall take into consideration the ratio of the number of
23 attorneys to the population.

24 **2. Credit.** Beginning with tax years beginning on or after January 1, 2020, an
25 eligible attorney is allowed a credit for each taxable year, not to exceed \$6,000, against
26 the taxes due under this Part. The credit may be claimed in the first year that the eligible
27 attorney meets the conditions of eligibility for at least 6 months and in each of the 4
28 subsequent years.

29 **3. Eligibility limitation; certification.** The court may certify up to 5 eligible
30 attorneys in each year in 2020 through 2025. Additional attorneys may not be certified
31 after 2025. The court shall annually, at year-end, verify that certified attorneys continue
32 to be eligible for the credit under this section and shall decertify any attorney who ceases
33 to meet the conditions of eligibility. The court shall notify the bureau whenever an
34 attorney is certified or decertified. A decertified attorney ceases to be eligible for the
35 credit under this section beginning with the tax year during which the attorney is
36 decertified.

37 **4. Rules.** The court shall adopt rules to implement this section.

1 5. **Report; review.** By February 15, 2025, the assessor shall submit to the joint
2 standing committee of the Legislature having jurisdiction over taxation matters a report
3 that identifies the number of eligible attorneys claiming the credit under this section each
4 year in which the credit is available and identifies the underserved areas where those
5 attorneys practice. The committee shall review the report and determine the effectiveness
6 of the credit in expanding legal services to underserved areas. The committee may
7 submit legislation to the First Regular Session of the 132nd Legislature related to the
8 report.

9 **SUMMARY**

10 This bill provides an income tax credit for 5 years for attorneys who practice law in
11 the State and agree to practice for at least 5 years in an underserved area of the State as
12 determined by the Supreme Judicial Court. Eligibility for the credit is open from 2020
13 through 2025. The court may certify up to 5 eligible attorneys each year. The joint
14 standing committee of the Legislature having jurisdiction over taxation matters is directed
15 to review the effectiveness of the credit and may submit legislation to extend or revise it.