

MAINE STATE LEGISLATURE

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MAJORITY

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1013, L.D. 1555, "An Act to Establish an Employer Tax Credit for Qualifying Child Care Costs"

Amend the bill in section 2 in §5217-G in subsection 2 in the 2nd line (page 1, line 19 in L.D.) by striking out the following: "refundable"

Amend the bill in section 2 in §5217-G in subsection 2 in paragraph A in the 2nd line (page 1, line 22 in L.D.) by striking out the following: "\$8,000" and inserting the following: '\$3,000'

Amend the bill in section 2 in §5217-G in subsection 2 by striking out all of paragraph B (page 1, line 24 in L.D.) and inserting the following:

'B. Nine thousand dollars per employee.

The maximum credit an employing unit may receive in a single tax year is \$36,000.

An employing unit providing child care services is required to provide child care services of similar type and quality to all employees of the employing unit to qualify for the credit.'

Amend the bill in section 2 in §5217-G in subsection 3 in the last line (page 1, line 26 in L.D.) by striking out the following: "15" and inserting the following: '5'

Amend the bill in section 2 in §5217-G in subsection 4 in the last line (page 1, line 34 in L.D.) by inserting after the following: "State." the following: 'The review must include comparative employee retention and benefits data for participating employing units with 50 or fewer employees both before and after engagement with the child care tax credit program under this section.'

Amend the bill by inserting after section 2 the following:

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

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**132nd MAINE LEGISLATURE****LD 1555****LR 276(02)****An Act to Establish an Employer Tax Credit for Qualifying Child Care Costs**

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-570)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$107,844	\$95,000	\$95,000
Appropriations/Allocations				
General Fund	\$0	\$12,844	\$0	\$0
Revenue				
General Fund	\$0	(\$95,000)	(\$95,000)	(\$95,000)
Other Special Revenue Funds	\$0	(\$5,000)	(\$5,000)	(\$5,000)

Legislative Cost/Study

The responsibilities outlined in this bill are already reflected in statutorily assigned work for Legislature's Office of Program Evaluation and Government Accountability in reviewing tax expenditures and will be absorbed within existing staff and budget resources beginning in 2030.

Fiscal Detail and Notes

This bill includes an ongoing revenue decrease to the General Fund of \$95,000 starting in fiscal year 2026-27 by establishing a nonrefundable employer tax credit for qualifying child care costs in an amount up to nine thousand dollars per employee and up to thirty-six thousand dollars per employer for tax years beginning on or after January 1, 2026. The bill also includes an ongoing revenue decrease to the Local Government Fund of \$5,000 starting in fiscal year 2026-27.

Additionally, the bill includes a one-time General Fund appropriation to the Bureau of Revenue Services within the Department of Administrative and Financial Services of \$12,844 in fiscal year 2026-27 to fund computer programming costs associated with the provisions of this bill.