

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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**Legislative Document**

**No. 825**

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H. P. 614 House of Representatives, February 11, 1971  
Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Vincent of Portland.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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**AN ACT Providing Income Tax Deduction for Child Care Services  
Necessary to Allow a Parent to Be Gainfully Employed.**

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

**Sec. 1. R. S., T. 36, § 5125, sub-§ 3, additional.** Section 5125 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended by adding a new subsection 3 to read as follows:

3. **Child care.** A deduction shall be allowed equal to actual expenses paid for the care of one or more dependent children during the taxable year by a taxpayer who is a woman or widower, or is a husband whose wife is incapacitated or is institutionalized, if such child care services are necessary for the purpose of allowing the taxpayer to be gainfully employed; provided, however, that the combined federal and state deduction shall be limited in the case of one dependent child to \$1,000 and in the case of 2 or more dependent children to \$1,500 and provided, further, that the deduction shall be reduced by the amount by which the adjusted gross income exceeds \$9,500.

**Sec. 2. Effective date.** This Act shall become effective January 1, 1972.

FISCAL NOTE

Estimated loss of revenue—Year ended 6/30/72	\$ 25,000
Year ended 6/30/73	\$250,000
Estimated cost of administration—Year ended 6/30/72	\$ —
Year ended 6/30/73	\$11,752

## STATEMENT OF FACT

The intent of this bill is to allow as a deduction for Maine income tax purposes the cost of child care expenses incurred over and above the amount of such deduction allowable on the federal income tax return not to exceed a combined federal and state deduction of \$1,000 in the case of one child or \$1,500 in the case of 2 or more children. If the taxpayer elects a standard deduction for federal purposes, the appropriate state standard deduction plus the child care deduction will be allowed for state purposes.