

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1277

H. P. 1010

House of Representatives, March 20, 1975

On Motion of Mr. Finemore of Bridgewater, referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Kany of Waterville.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Create a Maine State Income Tax Credit for the Creation of
Additional Jobs.

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

Sec. 1. 36 MRSA § 5255-B is enacted to read:

§ 5255-B. Income tax credit for the creation of additional jobs

1. Eligibility. Every employer subject to section 5250 shall be eligible for a \$500 credit against his, her or its income tax liability for each additional full-time Maine employee whose job was created during the taxable year previous to the taxable year in which a credit is being allowed, provided that employee was paid at least \$4,784 in wages and employed for the entire taxable year for which the credit under this section is authorized.

2. Administration. Application for this credit must be filed with the State Tax Assessor. Approved applications must accompany the state income tax return for the year in which the credit is to be allowed.

The State Tax Assessor has the authority to institute rules and regulations regarding this tax credit.

Sec. 2. 36 MRSA § 5278, sub-§ 5, ¶ C is enacted to read:

C. The income tax credit authorized under section 5255-B shall not carry over from taxable year to taxable year, nor shall any refund be paid to an employer claiming any credit under section 5255-B if the total credit authorized under section 5255-B exceeds the income tax liability of an employer claiming income tax credits under that section.

Sec. 3. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Bureau of Taxation, the sum of \$19,325 to carry out the purposes of this Act. The breakdown shall be as follows:

		1976-77
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Bureau of Taxation		
Personal Services	(2)	\$14,700
All Other		3,500
Capital Expenditures		1,125
		\$19,325

Sec. 4. Effective date. This Act shall apply to taxable years beginning on or after January 1, 1976.

FISCAL NOTE

It is difficult to estimate what employment expansion passage of this bill will generate. However, if only 1,000 new employees were added, the potential loss of revenue would be \$500,000 for fiscal year 1976-77. No loss of revenue would result in fiscal year 1975-76.

STATEMENT OF FACT

This bill will create a Maine state income tax credit for the purpose of creating additional full-time jobs paying at least the minimum wage and will establish a legislative policy of encouraging any industry considering expansion or location in Maine to do so.