

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. H-893)

HOUSE AMENDMENT "A" to S.P. 436, L.D. 1513, Bill,
"AN ACT to Establish a Tax Credit to Aid Businesses Providing
New Jobs in Areas of High Unemployment."

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'36 MRSA c. 820 is enacted to read:

CHAPTER 820

TAX CREDITS

§5206. New jobs credit

1. Definition of permanent, full-time employee.

"Permanent, full-time employee" is an employee who is hired
to work at least 32 hours per week and at least 1,600
hours a year for the corporation hiring him.

2. Credit allowed. There is to be allowed a credit
against the tax imposed by this Part. The amount of this
credit is to be 15% of the tax credit as determined in
compliance with the Internal Revenue Code, section 51, with
the following qualifications:

A. The credit applies only to businesses within labor
market areas as designated by the Commissioner of Man-
power Affairs which averaged 9% or greater unemployment
during the calendar year immediately preceding the year
in which the return is due; and

B. The credit is to be determined in respect to labor market areas in accordance with rules and regulations promulgated by the State Tax Assessor.

Credit against the tax imposed by this Part shall be allowed for each taxable year beginning on or after January 1, 1978 and concluding on or before December 31, 1983.

3. Termination. No corporation shall be eligible for an additional tax credit under this section after January 1, 1983, but all tax credits which are continuations of previous eligibility under this section shall be permitted to continue in accordance with subsection 2.'

Fiscal Note

This Amendment is estimated to reduce income tax revenues by \$200,000 in the 2nd year of the biennium. Ninety-six percent of the reduction is in General Fund revenues and 4% is in the Local Government Fund.

Statement of Fact

This amendment provides for a new employment tax credit which is based on the recently enacted federal jobs credit. The amount of credit would be 15% of the federal credit and be limited to areas of the State with an unemployment rate of 9% or greater.

Filed by Mr. Carey of Waterville.

Reproduced and distributed under the direction of the Clerk of the House.
7/6/77

(Filing No. H-893)