

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-466)
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1240, L.D. 1465, Bill, "AN ACT to Establish a Limited Tax Credit to Aid Businesses Providing Day Care Services to their Employees."

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

'36 MRSa §5216 is enacted to read:

§5216. Day care tax credit.

1. Credit allowed. For taxable years beginning on or after January 1, 1981, a taxpayer which constitutes an employing unit shall be allowed a credit against the tax imposed by this Part for each taxable year equal to the lowest of:

A. \$2,000;

B. 20% of the costs incurred by that taxpayer in providing day care services for children of employees of that taxpayer;

or

C. \$50 for each child of an employee of that taxpayer enrolled on a full-time basis throughout ^{that} taxpayer's taxable year in a day care program provided by that taxpayer or for each full-time equivalent in the case of part-time or temporary enrollees or, in the first year of the provision of those services by a taxpayer, for each child enrolled on a full-time basis on the last day of that year or for each full-time equivalent in the case of part-time enrollees.

2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Employing unit" has the same meaning as in Title 26, section 1043.

B. "Providing day care services" means to expend funds to build, furnish, license, staff, operate or subsidize a day care center licensed by the Department of Human Services for the provision of day care services to children of employees of the taxpayer at no profit to that taxpayer, or to contract with a day care center licensed by the Department of Human Services for the provision of day care services to children of employees of the taxpayer.

3. Carry-over. The amount of credit that may be used by any taxpayer for any taxable year shall not exceed the amount of tax otherwise due under this Part. Any unused credit may be carried over to the following year or years for a period not to exceed 3 years, including the year the credit was first taken, subject to the same limitations provided in this section.

4. Carry-back. There shall be no carry-back to prior years of the amount of credit allowable under this section.

Fiscal Note

amendment

It is estimated that enactment of this / will result in the following loss of income tax revenue.

	<u>1981-82</u>	<u>1982-83</u>
General Fund	\$11,520	\$23,040
Local Government Fund	480	960'

Statement of Fact

This amendment establishes an effective date, clarifies definitions and adds a fiscal note.

Reported by the Committee on Taxation.
Reproduced and distributed under the direction of the Clerk
of the House.

5/21/81

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