

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 597

6  
7 S.P. 235

In Senate, February 19, 1985

8 Reference to the Committee on Taxation suggested and ordered printed.

9 JOY J. O'BRIEN, Secretary of the Senate

10 Presented by Senator Tuttle of York.

Cosponsored by Senator Hichens of York, Senator Twitchell of Oxford  
and Representative Zirnkilton of Mount Desert.

11  
12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT to Provide for an Income Tax Credit  
18 for Parents who Pay Private School  
19 Tuition.  
20

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

23 Sec. 1. 36 MRSA §5127, sub-§4 is enacted to  
24 read:

25 4. Tuition credit. A tuition tax credit shall  
26 be allowed as follows.

27 A. A resident individual shall be allowed a  
28 credit against the tax otherwise due under this  
29 Part in the amount of 25% of the tuition paid by  
30 him during the taxable year to one or more ele-  
31 mentary or secondary private schools, institu-  
32 tions of higher education or post-secondary voca-  
33 tional schools located in this State for one or

1 more full-time students from whom the individual  
2 is entitled to claim personal exemptions under  
3 section 5126. The total credit shall not exceed  
4 \$300 and shall not reduce the Maine income tax to  
5 less than zero.

6 B. For purposes of this subsection:

7 (1) "Educational assistance allowance"  
8 means an educational assistance allowance  
9 under the United States Code, Title 38,  
10 chapter 32, 34 or 35;

11 (2) "Full-time student" means an individual  
12 who, during any 4 calendar months during the  
13 calendar year in which the taxable year be-  
14 gins, is a full-time student taking a gener-  
15 al course of instruction at a private ele-  
16 mentary or secondary school, institution of  
17 higher education or a post-secondary voca-  
18 tional school; and

19 (3) "Tuition" means tuition and fees re-  
20 quired for the enrollment or attendance of a  
21 student at a private elementary or secondary  
22 school, institution of higher education or  
23 post-secondary vocational school, including  
24 required course fees, but not including any  
25 amount paid, directly or indirectly, for  
26 books, supplies and equipment for courses of  
27 instruction or meals, lodging, transporta-  
28 tion or similar personal, living or family  
29 expenses.

30 C. The credit provided by this subsection is  
31 subject to the following limitations.

32 (1) Any amount received as a nontaxable  
33 scholarship or educational assistance allow-  
34 ance during the taxable year shall be  
35 treated as used for tuition attributable to  
36 the taxable year and as tuition not paid by  
37 the individual.

38 (2) No credit may be allowed for any amount  
39 paid by the taxpayer for tuition for any in-  
40 dividual if the same tuition payment is

1 claimed as a deduction under the United  
2 States Internal Revenue Code.

3 Sec. 2. 36 MRSA §5147 is enacted to read:

4 §5147. Tuition credit

5 A nonresident individual shall be allowed,  
6 against the tax otherwise due under this Part, the  
7 credit allowed to a resident individual under section  
8 5127, subsection 4, except that the credit shall be  
9 prorated by the percentage that the nonresident's  
10 Maine adjusted gross income bears to his federal ad-  
11 justed gross income.

12 STATEMENT OF FACT

13 The purpose of this bill is to provide an income  
14 tax credit for persons who pay tuition to a Maine  
15 private elementary or secondary private school or in-  
16 stitute of higher education. The bill provides for a  
17 credit of 25% of the tuition paid, up to a maximum  
18 credit of \$300 per year.

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