

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1864

6
7 H.P. 1329 House of Representatives, January 15, 1986
8 Approved for introduction by a majority of the Legislative Council
pursuant to Joint Rule 26.

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

EDWIN H. PERT, Clerk

10 Presented by Representative Diamond of Bangor.

Cosponsored by Senator Clark of Cumberland, Representative Mayo of
Thomaston and Representative Nelson of Portland.

11
12 STATE OF MAINE
13

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

17 AN ACT to Encourage Employers to Assist their
18 Employees in Meeting Their Child Care
19 Needs and Expenses.
20

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

23 36 MRSA §5217 is enacted to read:

24 §5217. Employer assisted day care

25 1. Credit allowed. A taxpayer constituting an
26 employing unit is allowed a credit against the tax
27 imposed by this Part for each taxable year equal to
28 the lowest of:

29 A. Two thousand dollars;

30 B. Twenty percent of the costs incurred by the
31 taxpayer in providing day care services for chil-
32 dren of employees of the taxpayer; or

1 C. Fifty dollars for each child of an employee
2 of the taxpayer enrolled on a full-time basis, or
3 each full-time equivalent, throughout the taxable
4 year in day care service provided by the taxpayer
5 or in the first year that the taxpayer provides
6 day care services, for each child enrolled on a
7 full-time basis, or each full-time equivalent, on
8 the last day of the year.

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

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

14 B. "Providing day care services" means expending
15 funds to build, furnish, license, staff, operate
16 or subsidize a day care center licensed by the
17 Department of Human Services to provide day care
18 services to children of employees of the taxpayer
19 at no profit to the taxpayer or to contract with
20 a day care facility licensed by or registered
21 with the department to provide day care services
22 to children of the employees of the taxpayer.

23 3. Unused credit carried over. The amount of
24 the credit that may be used by a taxpayer for a tax-
25 able year may not exceed the amount of tax otherwise
26 due under this Part. Any unused credit may be car-
27 ried over to the following year or years for a period
28 not to exceed 3 years.

29 STATEMENT OF FACT

30 The purpose of this bill is to provide a tax
31 credit to employers who assist their employees with
32 child care costs by providing on-site facilities for
33 care of the children of employees or by subsidizing
34 day care for children of their employees at a site
35 outside the place of employment.

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