

## (AFTER DEADLINE) SECOND REGULAR SESSION

## ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2332

H.P. 1699 House of Representatives, February 23, 1988 Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.

Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk Presented by Representative MAYO of Thomaston.

## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-EIGHT

| 1<br>2<br>3<br>4 | AN ACT to Create Tax Incentives for<br>Employers who Utilize the Services of<br>Sheltered Workshops. |  |  |  |  |  |  |  |  |  |  |
|------------------|--|--|--|--|--|--|--|--|--|--|--|
| 5<br>6           | Be it enacted by the People of the State of Maine as follows:  |  |  |  |  |  |  |  |  |  |  |
| 7                | 36 MRSA §5219-C is enacted to read:  |  |  |  |  |  |  |  |  |  |  |
| 8<br>9           | §5219-C. Income tax credit for utilizing services of<br>a sheltered workshop                         |  |  |  |  |  |  |  |  |  |  |
|                  | Page 1-LR4636  |  |  |  |  |  |  |  |  |  |  |

| ĺ |      | 1.   | Defi | nitions.   | As   | used   | in  | this | section,  | unless |
|---|------|------|------|------------|------|--------|-----|------|-----------|--------|
| 2 | the  | cont | text | otherwise  | in   | dicate | es, | the  | following | terms  |
| 3 | have | the  | foll | owing mear | ning | s.     |     |      |           |        |

Α. "Sheltered workshop" means a facility, certified by the United States Department of Labor regulations covering employment of handicapped clients, engaged in production or service operation for the primary purpose of providing gainful employment for those who cannot be readily absorbed in the competitive labor market, Ö۲ of providing interim employment during such time as employment opportunities for them in the competitive labor market do not exist.

2. Credit allowed. A taxpayer who utilizes the services of a sheltered workshop in the State shall be allowed a credit against the tax otherwise due under this Part equal to 20% of the cost of services received up to a total of \$500. The credit is allowable against taxes due for the year in which the services were utilized. In no case may this credit reduce the state income tax to less than zero.

## STATEMENT OF FACT

This bill increases the amount of work available to clients of sheltered workshops by providing a tax credit to taxpayers who use these services.

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