

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 997

S.P. 372

Received by the Secretary, March 7, 1991

Referred to the Committee on Taxation and 1400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

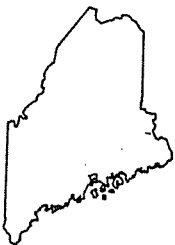
JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MATTHEWS of Kennebec

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act Concerning Health Care Insurance.



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

36 MRSA §5217-C is enacted to read:

§5217-C. Employer-paid health insurance credit

1. Credit. A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part equal to a percentage, as determined in subsection 3 or 4, of the corporation's total health insurance premium expenditure in each of the first 2 years it makes such an expenditure.

2. Eligibility. A corporation is eligible for the income tax credit provided by this section if:

A. The corporation has more than 50 full-time equivalent employees unrelated to its owners or shareholders calculated on an average annual basis. For the purposes of this section, "unrelated" means not having the familial relationship of spouse, parent or child;

B. The corporation has not in any one of the preceding 3 years made an expenditure for the full or partial payment of premiums for a health insurance plan covering any of its employees; and

C. The corporation makes a health insurance premium expenditure for a health insurance plan that is available to at least all of its full-time employees. The health insurance premium expenditure must equal at least 50% of the total cost of the premiums for the health insurance plan made available to the employees.

3. Amount of credit; employees only. The amount of the credit under subsection 1 is 20% of the entire amount of the health insurance premium expenditure made by the corporation in the first year and 10% of the entire amount of the health insurance premium expenditure made by the corporation in the 2nd year.

4. Amount of credit; dependent coverage. Notwithstanding subsection 3, if the health insurance plan available to employees also includes coverage for employees' dependents, the amount of the credit under subsection 1 is 25% of the entire amount of the health insurance premium expenditure made by the corporation in the first year and 15% of the entire amount of the health insurance premium expenditure made by the corporation in the 2nd year.

2 5. Applicable tax years. This section applies to tax years
3 beginning on or after January 1, 1992, and ending on or before
4 December 31, 1994.

6 **STATEMENT OF FACT**

8 This bill encourages employers to provide health insurance
9 programs to their employees, or their employees and employees'
10 dependents, by giving an income tax credit for the first 2 years
11 the new program is in effect. Employers of more than 50
12 full-time employees would be eligible, provided the employer pays
13 at least half of the premiums.
14