

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document


No. 513

H.P. 400

House of Representatives, February 16, 1993

An Act to Expand Resources and Eligibility for Child Care Programs.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative PINEAU of Jay.

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

2 **Sec. 1. 36 MRSA §5218**, as amended by PL 1987, c. 772, §40, is
4 further amended to read:

6 **§5218. Income tax credit for child care expenses**

8 A resident individual shall ~~be~~ is allowed a credit against
10 the tax otherwise due under this Part in the amount of 20% of the
12 federal tax credit allowable for child and dependent care
14 ~~expenses in tax year 1987; and 25% of the federal tax credit~~
16 ~~allowable for child and dependent care expenses thereafter. In~~
18 ~~no case may this credit reduce the Maine income tax to less than~~
zero. If the credit allowed under this section is greater than
the amount of state income tax owed by the resident individual,
the difference must be paid by the State to the resident
individual, or, at the resident individual's option, must be
credited to the resident individual's future tax liability.

20 **Sec. 2. Maximization of federal funds.** In order to maximize the
22 use of federal child care funds, the Department of Human Services
24 shall use as a first resort for eligible families child care
26 funds available under the federal Family Support Act of 1988. If
28 Family Support Act funds are exhausted or a family is not
30 eligible for Family Support Act funds, the department shall use
32 federal Child Care and Development Block Grant funds as a 2nd
resort. In order to raise matching funds for additional federal
funds under the Family Support Act, the department shall
encourage counties, municipalities and private organizations to
participate in the Family Support Act programs. A child care
provider who provides subsidized child care must be reimbursed at
a uniform rate regardless of the funding source.

34 **Sec. 3. Eligibility.** To the extent permitted by federal law,
36 the Department of Human Services shall authorize the Resource
38 Development Centers to determine eligibility for all child care
programs administered by the department.

40 Families with income up to 200% of the federal poverty level
42 are eligible for child care under the federal Child Care and
44 Development Block Grant program, the federal At-Risk Child Care
46 program and state-funded child care programs on a sliding fee
basis.

46 **STATEMENT OF FACT**

48 This bill makes the state income tax credit for child care
50 expenses fully refundable. Currently, the credit is only
refundable to the extent that taxes are owed.

2 The bill also requires the Department of Human Services to
3 maximize federal child care funds by using "entitlement" child
4 care programs, such as those available to ASPIRE enrollees,
5 before using federal Child Care and Development Block Grant
6 funds. The department is directed to seek the required
7 additional state matching funds from counties, municipalities and
8 providers.

9
10 The bill also requires the department to extend eligibility
11 for subsidized child care programs on a sliding scale up to 200%
12 of the federal poverty level. To the extent permitted by federal
13 law, the bill requires the department to authorize the 10
14 existing Resource Development Centers to determine eligibility
for all child care subsidies.