

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

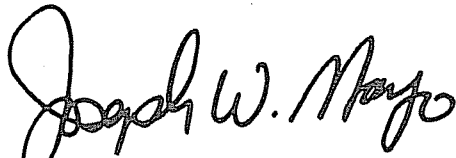
No. 2001

H.P. 1473

House of Representatives, March 31, 1994

An Act to Establish a Catastrophic Health Expense Program.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative MURPHY of Berwick. (GOVERNOR'S BILL)
Cosponsored by Representative TREAT of Gardiner, Senator BALDACCI of Penobscot and
Representatives: BRUNO of Raymond, DORE of Auburn, RYDELL of Brunswick,
SIMONEAU of Thomaston.

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

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Sec. 1. 36 MRSA §5219-I, as enacted by PL 1993, c. 410, Pt. YY, §3 and affected by §6, is repealed.

Sec. 2. 36 MRSA §5219-J is enacted to read:

§5219-J. Catastrophic health expense credit

An individual or trust is allowed a credit that is equal to 4.5% of the individual's or trust's allowance of deduction pursuant to the Internal Revenue Code, Section 213(a) for the same tax year. The application of this credit may not result in a tax liability for the tax year of less than zero for the individual or trust.

Sec. 3. Application. This Act applies to tax years beginning on or after January 1, 1994.

STATEMENT OF FACT

This bill replaces the nursing home care credit with a broader tax credit designed to relieve some of the burden of extraordinary medical expenses. The credit is calculated based on a taxpayer's entitlement to an itemized deduction relating to extraordinary medical and dental expenses.