

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1280

H.P. 904

House of Representatives, April 11, 1995

An Act to Provide a Tax Credit for Small Businesses Providing Health Insurance Benefits for Employees.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative DEXTER of Kingfield.
Cosponsored by Representative DONNELLY of Presque Isle and
Representatives: BARTH of Bethel, BOUFFARD of Lewiston, BUCK of Yarmouth,
BUNKER of Kossuth Township, CAMERON of Rumford, CAMPBELL of Holden, CHICK
of Lebanon, CLOUTIER of South Portland, CLUKEY of Houlton, CROSS of
Dover-Foxcroft, DAMREN of Belgrade, DiPIETRO of South Portland, DUNN of Gray,
FISHER of Brewer, GAMACHE of Lewiston, GIERINGER of Portland, GOOLEY of
Farmington, GOULD of Greenville, GREEN of Monmouth, GREENLAW of Standish,
GUERRETTE of Pittston, HARTNETT of Freeport, HEINO of Boothbay, HICHBORN of
Lagrange, JACQUES of Waterville, JOHNSON of South Portland, JONES of Pittsfield, JOY
of Crystal, JOYNER of Hollis, KEANE of Old Town, KNEELAND of Easton, LABRECQUE
of Gorham, LANE of Enfield, LAYTON of Cherryfield, LEMONT of Kittery, LIBBY of
Kennebunk, LINDAHL of Northport, LOVETT of Scarborough, LUMBRA of Bangor,
MADORE of Augusta, MARSHALL of Eliot, MARTIN of Eagle Lake, MARVIN of Cape
Elizabeth, MAYO of Bath, McALEVEY of Waterboro, McELROY of Unity, MURPHY of
Berwick, NASS of Acton, NICKERSON of Turner, OTT of York, PAUL of Sanford,
PENDLETON of Scarborough, PERKINS of Penobscot, PINKHAM of Lamoine, POIRIER of
Saco, POULIN of Oakland, POULIOT of Lewiston, REED of Falmouth, REED of Dexter,

Additional cosponsors on next page

RICE of South Bristol, ROSEBUSH of East Millinocket, SAVAGE of Union, SPEAR of Nobleboro, STEDMAN of Hartland, STROUT of Corinth, TRIPP of Topsham, TRUE of Fryeburg, TRUMAN of Biddeford, TUFTS of Stockton Springs, UNDERWOOD of Oxford, WATERHOUSE of Bridgton, WATSON of Farmingdale, WHEELER of Bridgewater, WHITCOMB of Waldo, Senators: BEGLEY of Lincoln, BENOIT of Franklin, BUTLAND of Cumberland, CASSIDY of Washington, CIANCHETTE of Somerset, ESTY of Cumberland, FERGUSON of Oxford, LORD of York, PENDEXTER of Cumberland, RAND of Cumberland, STEVENS of Androscoggin.

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

4 **Sec. 1. 36 MRSA §5217-C** is enacted to read:

6 **§5217-C. Employer-paid health insurance credit**

8 **1. Credit.** A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part in the amount determined under subsection 2.

10 **2. Amount of credit.** The credit allowed by this section is equal to 25% of the cost incurred by the taxpayer in providing health insurance for full-time employees of the business and the dependents of those employees.

12 **3. Eligible taxpayers.** A taxpayer is eligible for a credit under this section if the taxpayer employs fewer than 25 employees and provides health insurance benefits for all of its full-time employees.

14 **4. Limitation.** The amount of the credit that may be used by a taxpayer for a taxable year may not exceed the amount of tax otherwise due under this Part. Any unused credit may be carried over to the following year or years for a total period not to exceed 15 years.

16 **STATEMENT OF FACT**

18 **30** This bill provides an income tax credit for small businesses that provide health insurance benefits for full-time employees.