

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 3/13/96

(Filing No. H- 772)

M I N O R I T Y
T A X A T I O N

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1171, L.D. 1603, Bill, "An Act to Establish a Higher Education Tax Credit for Middle-class Families"

Amend the bill by striking out all of section 1 (page 1, lines 3 to 21 in L.D.) and inserting in its place the following:

'Sec. 1. 36 MRSA §5219-L is enacted to read:

§5219-L. Higher education tax credit

A taxpayer is allowed a credit of up to \$500 against the tax imposed by this Part if the taxpayer is a full-time student or has a child enrolled as a full-time student in an institution of higher education and the taxpayer is entitled to claim the child as a dependent for that year. The maximum amount of the credit is \$500, regardless of the number of children enrolled. This credit does not apply if the taxpayer's adjusted gross income for that year exceeds \$50,000. For the purpose of this section, "institution of higher education" means any educational institution, public or private, profit or nonprofit, that provides a program of education beyond the high school level, awards an associate, bachelor or advanced degree. "Full-time student" means a student as defined by the Code and the Finance Authority of Maine. 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.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

COMMITTEE AMENDMENT "B" to H.P. 1171, L.D. 1603

2 Further amend the bill by inserting at the end before the
statement of fact the following:

4

6

FISCAL NOTE

8 The additional income tax exemption for a portion of the
costs of higher education will decrease General Fund revenue and
10 dedicated revenue to the Local Government Fund for
state-municipal revenue sharing by insignificant amounts in
12 fiscal year 1996-97. Beginning in fiscal year 1997-98, the first
full year of implementation, the estimated annual revenue loss to
14 the General Fund will be \$5,934,413. The corresponding annual
decrease in dedicated revenue to the Local Government Fund will
16 be \$318,920.

18 The Bureau of Taxation will require additional General Fund
appropriations of \$26,488 for one Tax Examiner and related
20 expenses in fiscal year 1997-98 and approximately \$30,000
annually beginning in fiscal year 1998-99.'

22

24

STATEMENT OF FACT

26 This amendment is the minority report of the Joint Standing
Committee on Taxation. This amendment restricts the higher
28 education tax credit for full-time students, changes the income
qualifications from household income to adjusted gross income and
30 adds a fiscal note to the bill.