

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 18

S.P. 20

In Senate, January 9, 1997

An Act to Give a Small Business Employer Health Benefit Tax Relief.

Reference to the Committee on Taxation suggested and ordered printed.

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator RUHLIN of Penobscot.
Cosponsored by Representative FISHER of Brewer and
Senators: CAREY of Kennebec, PARADIS of Aroostook, Representatives: BUCK of
Yarmouth, KANE of Saco, PAUL of Sanford, PERRY of Bangor, TRIPP of Topsham.

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-provided health insurance coverage

8 1. Credit. A taxpayer constituting an employing unit that
10 employs 50 or fewer employees and provides health insurance
12 coverage to those employees is allowed a credit against the tax
14 imposed by this Part for each taxable year equal to the lowest of
16 the following:

18 A. Five thousand dollars;

20 B. Twenty percent of the costs incurred by the taxpayer in
22 providing health insurance policy coverage as part of a
24 benefit package; or

26 C. One hundred dollars for each employee covered by an
28 employer-provided health insurance policy.

30 2. Definitions. As used in this section, unless the
32 context otherwise indicates, the following terms have the
34 following meanings.

36 A. "Employing unit" has the same meaning as in Title 26,
38 section 1043, except that the employing unit must employ 50
40 or fewer employees.

42 B. "Health insurance" has the same meaning as in Title
44 24-A, section 704.

32 3. Limitation. The amount of the credit that may be used
34 by a taxpayer for a taxable year may not exceed the amount of tax
36 otherwise due under this Part. Any unused credit may be carried
38 over to the following year or years for a period not to exceed 15
40 years.

42 **SUMMARY**

44 This bill provides a tax credit to small businesses that provide health insurance coverage to their employees. The amount of the credit authorized parallels the amount authorized for employer-provided long-term care benefits.