

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 70

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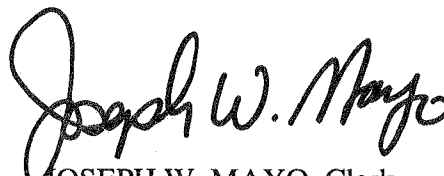
H.P. 45

House of Representatives, January 9, 1997

**An Act to Provide a State Income Tax Credit for the Costs of Health Insurance Paid by Individuals.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative MAYO of Bath.  
Cosponsored by Senator SMALL of Sagadahoc and  
Representative CARLETON of Wells.

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

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

§5219-L. Health insurance premium tax credit

1. Credit. A taxpayer that does not constitute an employing unit is allowed a credit against the tax imposed by this Part for each taxable year equal to 50% of the amount of health insurance premium paid by the taxpayer.

2. Eligible taxpayers. A taxpayer is eligible for a credit under this section if:

A. The taxpayer pays the full premium for health insurance coverage; or

B. The taxpayer pays a portion of the health insurance premium under a health insurance program offered by the taxpayer's employer.

3. Limitation. The amount of the credit allowed under this section may not exceed \$4,000 in any tax year and may not exceed the amount of tax otherwise due under this Part. This credit may not reduce the state income tax to less than zero. Any unused credit may not be carried over to the following year.

4. Application. This section applies to health insurance premiums paid in any tax year beginning on or after January 1, 1998.

SUMMARY

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This bill establishes a state income tax credit for up to 50% of the health insurance premiums paid by individuals. The credit is available to individuals that pay the full premium for health insurance and also to individuals that pay a portion of the premium under a health insurance program offered through their employer. The credit applies to premiums paid in any tax year beginning on or after January 1, 1998.