

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 164

S.P. 54

In Senate, January 14, 1997

**An Act to Provide Tax Credits for Small Businesses Providing Health Insurance Benefits for Employees.**

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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 MacKINNON of York.  
Cosponsored by Senator MILLS of Somerset, Representatives: MacDOUGALL of North Berwick, WHEELER of Eliot, WRIGHT of Berwick.

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 **SUMMARY**

18 This bill provides an income tax credit for businesses that provide health insurance benefits for full-time employees and that have fewer than 25 employees.