

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 509

H.P. 364

House of Representatives, January 28, 1997

An Act to Allow an Income Tax Credit for School Tuition.

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 MARVIN of Cape Elizabeth.
Cosponsored by Representative DAVIDSON of Brunswick, Senators: LIBBY of York,
PENDLETON of Cumberland and
Senator MITCHELL of Penobscot and
Representatives: BUCK of Yarmouth, CIANCHETTE of South Portland, GREEN of
Monmouth, MITCHELL of Portland, WATSON of Farmingdale, WINSOR of Norway.

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

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

6 **§5219-L. Higher education tax credit**

8 A taxpayer is allowed a credit of up to \$500 against the tax
10 imposed by this Part if the taxpayer is a full-time student or
12 has a child enrolled as a full-time student in an institution of
14 higher education and the taxpayer is entitled to claim the child
16 as a dependent for that year. The maximum amount of the credit
18 is \$500, regardless of the number of children enrolled. This
20 credit does not apply if the taxpayer's adjusted gross income for
22 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 and
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.

24 **SUMMARY**

26 This bill creates a higher education tax credit for a
28 taxpayer that is a full-time student or has a child enrolled as a
30 full-time student and is entitled to claim the child as a
32 dependent. The amount of the tax credit is \$500 or the amount of
34 tax due for that year, whichever is less. The taxpayer's
combined adjusted gross income may not exceed \$50,000 for that
year.