

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 809

S.P. 240

In Senate, February 6, 1997

An Act to Improve Access to Higher Education for Maine Students.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CATHCART of Penobscot.
Cosponsored by Representative DAVIDSON of Brunswick and
Representatives: BAKER of Bangor, DUNLAP of Old Town, STEVENS of Orono.

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 \$500 against the tax
10 imposed by this Part if the taxpayer has a child enrolled as a
12 student in the University of Maine System and the taxpayer is
14 entitled to claim the child as a dependent for that year. The
16 maximum amount of the credit is \$500, regardless of the number of
18 children enrolled. This credit does not apply if the taxpayer's
household income for that year exceeds \$50,000. For the purpose
of this section, "household income" means household income as
defined in section 6201. 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.

20 **Sec. 2. Application.** This Act applies to tax years beginning
22 on or after January 1, 1998.

24 **SUMMARY**

26 This bill creates a higher education tax credit for families
28 with a combined household income of \$50,000 or less. The amount
30 of the tax credit is \$500 or the amount of tax due for that year,
32 whichever is less. To be eligible for the tax credit, the family
must have a child enrolled in the University of Maine System and
the taxpayer must be entitled to claim the child as a dependent
for that year.