

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "D" to H.P. 1338, L.D. 1887, Bill, "An Act Regarding Health and the Prevention of Smoking"

Amend the bill by inserting after Part D the following:

PART E

Sec. E-1. 36 MRSA §5217-C is enacted to read:

§5217-C. Employer-paid health insurance credit

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.

2. Amount of credit. The credit allowed by this section is equal to 30% of the cost incurred by the taxpayer in providing health insurance for full-time employees of the business and the dependents of those employees.

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.

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.

5. Effective date. This section takes effect January 1, 1999.

HOUSE AMENDMENT

2 **Sec. E-2. Appropriation.** The following funds are appropriated
4 from the General Fund to carry out the purposes of this Act.

1998-99

6 **ADMINISTRATIVE AND FINANCIAL**
8 **SERVICES, DEPARTMENT OF**

10 **Bureau of Taxation**

12	Positions - Legislative Count	(1,000)
	Personal Services	\$15,379
14	All Other	19,600
	Capital Expenditures	3,000

16 Provides funds for one Tax Examiner
18 position, effective January 1, 1999, and
20 related administrative expenses to
22 administer additional claims for the health
insurance benefits deduction.

24 **DEPARTMENT OF ADMINISTRATIVE AND**
26 **FINANCIAL SERVICES**
28 **TOTAL**

\$37,979'

FISCAL NOTE

1998-99

32 **APPROPRIATIONS/ALLOCATIONS**

34	General Fund	\$37,979
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36 **REVENUES**

38	General Fund	(\$27,728,872)
40	Other Funds	(1,465,128)

42 The additional income tax exemption for small businesses
44 providing health insurance benefits to employees will decrease
46 General Fund revenue by \$27,262,872 in fiscal year 1998-99. The
corresponding decrease in dedicated revenue to the Local
Government Fund for state-municipal revenue sharing will be
\$1,465,128.

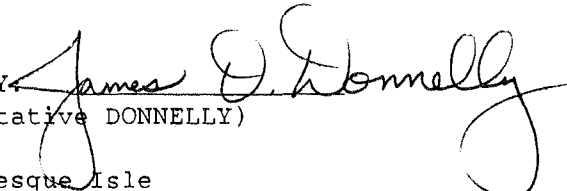
48 The Bureau of Taxation will require an additional General
Fund appropriation of \$37,979 in fiscal year 1998-99 for 1 Tax

RWS
HOUSE AMENDMENT "D" to H.P. 1338, L.D. 1887

2 Examiner, effective January 1, 1999, computer programming and
associated administrative costs to process and administer the
4 additional claims for the new deduction. The estimated full year
cost for this position and related expenses is \$39,596.

6
8 **SUMMARY**

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

12
14
16 SPONSORED BY 
(Representative DONNELLY)

18 TOWN: Presque Isle
20