

MAINE STATE LEGISLATURE

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

HOUSE AMENDMENT "A" to H.P. 1339, L.D. 1888, Bill, "An Act to Decrease Smoking Among Maine Youth, Young Adults and Adults"

Amend the bill in Part A by inserting after section 1 the following:

Sec. A-2. 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.

Sec. A-3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1998-99

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Bureau of Taxation

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

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

**DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
TOTAL**

\$37,979'

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

General Fund	\$37,979
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REVENUES

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

The additional income tax exemption for small businesses providing health insurance benefits to employees will decrease 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.

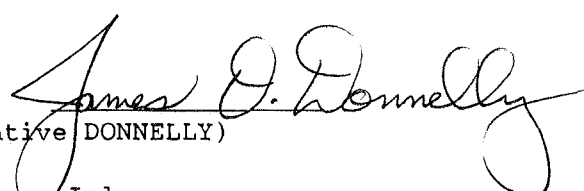
The Bureau of Taxation will require an additional General Fund appropriation of \$37,979 in fiscal year 1998-99 for 1 Tax

HOUSE AMENDMENT "A" to H.P. 1339, L.D. 1888

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

6
7 **SUMMARY**

8
9 This amendment provides an income tax credit for businesses
10 that provide health insurance benefits for full-time employees
11 and that have fewer than 25 employees.
12

13
14 SPONSORED BY: 
15 (Representative DONNELLY)

16
17 TOWN: Presque Isle
18
19
20