

2	L.D. 1931		
4	DATE: April 1, 1998 (Filing No. 5-689)		
4			
6	Reproduced and distributed under the direction of the Secretary of the Senate.		
8	STATE OF MAINE		
10	SENATE 118TH LEGISLATURE SECOND SPECIAL SESSION		
12			
14	Senate amendment " ${\mathcal B}$ " to committee amendment "a" to S.P.		
16	696, L.D. 1931, Bill, "An Act to Create Incentives for Employers to Contribute toward the Costs of Comprehensive Health Insurance		
18	for Families"		
20	Amend the amendment in section 1 in that part designated " <b>§5219-O.</b> " in subsection 1 in the 2nd line (page 1, line 32 in		
22	amendment) by inserting after the following: " <u>unit</u> " the following: ' <u>that employs fewer than 5 low-income employees</u> '		
24			
26	Further amend the amendment in section 1 in that part designated " <b>§5219-0.</b> " in subsection 1 in the 4th line (page 1, line 34 in amendment) by inserting after the following: " <u>equals</u> "		
28	the following: 'the lesser of'		
30	Further amend the amendment in section 1 in that part designated " $5219-0$ ." in subsection 1 in the last line (page 1,		
32	line 36 in amendment) by inserting after the following: "allowed" the following: 'or \$125 per employee'		
34			
36	Further amend the amendment in section 1 in that part designated " <u>\$5219-O.</u> " in subsection 1 by inserting at the end the following new sentence: ' <u>A taxpayer who received a credit under</u>		
38	this section in the preceding year and whose number of low-income employees is 5 or more may continue to receive the credit for 2		
<b>4</b> 0	years after the last year in which the number of low-income employees was fewer than 5.'		
42			
44	Further amend the amendment by striking out all of section 2 and inserting in its place the following:		

North Contraction

(

#2

Page 1-LR3251(5)



SENATE AMENDMENT " $\mathcal{B}$ " to COMMITTEE AMENDMENT "A" to S.P. 696, L.D. 1931

'**Sec. 2. Application.** This Act applies to tax years beginning on or after January 1, 1999 and applies to benefits paid after July 1, 1999.'

## FISCAL NOTE

1998-99

**10 REVENUES** 

2

4

6

8

12	General Fund	\$635,121
	Other Funds	34,132
14		

This amendment reduces and delays the tax revenue loss. As amended, the additional tax credit for dependent health insurance 16 coverage paid by qualifying employers will reduce individual 18 income tax and corporate income tax collections and decrease General Fund revenue by \$424,281 in fiscal year 1999-2000 and 20 \$844,760 in fiscal year 2000-01. The corresponding decreases in dedicated revenue to the Local Government Fund for 22 state-municipal revenue sharing will be \$22,801 and \$45,398, respectively.

## **SUMMARY**

28 This amendment limits the credit for dependent health benefits paid under a health benefit plan to employers with fewer 30 than 5 low-income employees. It provides that a taxpayer who received this credit in the preceding year and whose number of 32 low-income employees is 5 or more may continue to receive the credit for 2 years after the last year in which the number of 34 low-income employees was fewer than 5.

36 It also provides that the credit equals the lesser of 20% of dependent health benefits paid under a health benefit plan during 38 the taxable year for which the credit is allowed or \$125 per employee.

40

24

26

Page 2-LR3251(5)

SENATE AMENDMENT

SENATE AMENDMENT " $\mathcal{B}$ " to COMMITTEE AMENDMENT "A" to S.P. 696, L.D. 1931

It also amends the application section to specify that the legislation applies to tax years beginning on or after January 1, 1999 and applies to benefits paid after July 1, 1999.

4 Usa Wlagley 6 SPONSORED BY: (Senator LONGLEY) 8 10 COUNTY: Waldo

12

2

Page 3-LR3251(5)

SENATE AMENDMENT