

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1997

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Legislative Document

No. 1945

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H.P. 1392

House of Representatives, December 18, 1997

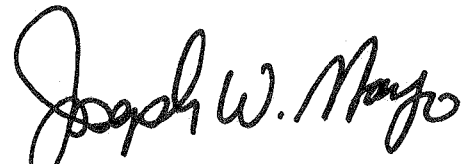
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**An Act to Minimize State Revenue Loss Due to Ineffective Health Coverage.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 16, 1997. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

  
JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Portland.

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

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

**§5217-C. Employer-provided health insurance benefits**

**1. Credit.** A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part for each taxable year that the taxpayer:

A. Offers its employees a health insurance plan that meets the minimum requirements of Title 24-A, section 2808-B, including any rules adopted pursuant to that section; and

B. Pays at least 60% of the costs of coverage under that health insurance plan.

**2. Amount of credit.** The credit is equal to the lowest of the following:

A. Five thousand dollars;

B. Twenty percent of the costs incurred by the taxpayer in providing the specified health insurance plan as part of a benefit package; or

C. One hundred dollars for each employee covered by the specified health insurance plan.

**3. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10.

B. "Health insurance plan" has the same meaning as "small group health plan," defined in Title 24-A, section 2808-B, subsection 1, paragraph G.

**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 period not to exceed 15 years.

## SUMMARY

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4       This bill creates a tax credit for any employer that pays at  
6       least 60% of the costs of coverage of an employee health  
8       insurance plan that meets the minimum requirements for small  
      group health plans. The tax credit is equal to \$5,000; 20% of  
      the costs of providing the required plan; or \$100 for each  
      covered employee, whichever is lowest.