

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 291

H.P. 213

House of Representatives, January 14, 1999

An Act to Provide a State Income Tax Credit for the Costs of Health Insurance Paid by Individuals.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MAYO of Bath.
Cosponsored by Representatives: O'NEIL of Saco, QUINT of Portland, WATERHOUSE of Bridgton, WHEELER of Bridgewater, Senator: ABROMSON of Cumberland.

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

4 Sec. 1. 36 MRSA §5219-Q is enacted to read:

6 **§5219-Q. Health insurance premium tax credit**

8 **1. Credit.** A taxpayer that does not constitute an
10 employing unit is allowed a credit against the tax imposed by
this Part for each taxable year equal to 50% of the amount of the
health insurance premium paid by the taxpayer.

12 **2. Eligible taxpayer.** A taxpayer is eligible for a credit
under this section if:

14 **A.** The taxpayer pays the full premium for health insurance
16 coverage; or

18 **B.** The taxpayer pays a portion of the health insurance
20 premium under a health insurance program offered by the
taxpayer's employer.

22 **3. Limitation.** The amount of the credit allowed under this
24 section may not exceed \$4,000 in any tax year and may not exceed
the amount of tax otherwise due under this Part. This credit may
26 not reduce the state income tax to less than zero. Any unused
credit may not be carried over to the following year.

28 **4. Application.** This section applies to health insurance
30 premiums paid in any tax year beginning on or after January 1,
2000.

32 **SUMMARY**

34 This bill establishes a state income tax credit for up to
36 50% of the health insurance premiums paid by individuals. The
credit is available to individuals that pay the full premium for
38 health insurance and also to individuals that pay a portion of
the premium under a health insurance program offered through
40 their employer. The credit applies to premiums paid in any tax
year beginning on or after January 1, 2000.