

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 579

S.P. 186

In Senate, January 21, 1999

**An Act to Encourage Contributions to Family Development Account  
Reserve Funds.**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator KONTOS of Cumberland.  
Cosponsored by Representative MURPHY of Berwick and  
Senators: DAGGETT of Kennebec, KILKELLY of Lincoln, MITCHELL of Penobscot,  
PARADIS of Aroostook, Representatives: DAVIDSON of Brunswick, GREEN of Monmouth,  
KANE of Saco, NASS of Acton.

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

Sec. 1. 10 MRSA §1080 is enacted to read:

**§1080. Tax credit**

**1. Amount of credit.** A taxpayer who contributes funds to a family development account reserve fund is allowed a credit against the tax imposed by Title 36, chapter 803, excluding withholding tax imposed by Title 36, chapter 817 or 819 and Title 36, section 5250. Contributions up to \$50,000 per program contributor are eligible for the tax credit, which may not exceed 50% of the contribution amount.

The total tax credits authorized for program contributors to community development organizations pursuant to this section may not exceed \$1,000,000 in any fiscal year.

**2. Assistance of account administrator.** Each community development organization that administers family development accounts shall submit the names of contributors and the total amount that each contributor contributes to a family development account reserve fund for the calendar year to the State Tax Assessor.

Sec. 2. 36 MRSA §5216-C is enacted to read:

**§5216-C. Contributions to family development account reserve funds**

**1. Credit allowed.** A taxpayer contributing funds to any family development account reserve fund as defined in Title 10, section 1075 is allowed a credit against the tax imposed by this Part equal to the lower of:

**A. Twenty-five thousand dollars; or**

**B. Fifty percent of the amount contributed by the taxpayer.**

**2. Department verification.** The Assessor shall verify all tax credit claims by contributors to family development account reserve funds as defined in Title 10, section 1075. The administrator of each participating community development organization as defined in Title 10, section 1075 shall submit the names of contributors and the total amount each contributor contributes to a family development account reserve fund for the calendar year to the Assessor. The commissioner shall determine the date by which that information must be submitted to the department by the administrator of each community development

2 organization. The Assessor shall submit verification of  
3 qualified tax credits to the bureau.

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#### 6 SUMMARY

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8 This bill creates a tax credit of up to \$25,000 for  
9 taxpayers who make contributions to family development account  
10 reserve funds.