

# MAINE STATE LEGISLATURE

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1775

L.D. 1063

DATE: May 7, 1999

(Filing No. S-237 )

**TAXATION**

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A " to S.P. 359, L.D. 1063, Bill, "An Act to Create Quality Child Care Investment Incentives"

Amend the bill in section 1 by striking out all of paragraph C and inserting in its place the following:

'C. "Quality child care" has the meaning set forth in section 5219-Q, subsection 1.'

Further amend the bill in section 2 in subsection 4 in the first and 2nd lines (page 1, lines 11 and 12 in L.D.) by striking out the following: "this section" and inserting in its place the following: 'subsection 1'

Further amend the bill by inserting after section 2 the following:

**'Sec. 3. 36 MRSA §5217, sub-§2, ¶C is enacted to read:**

C. "Quality child care" has the meaning set forth in section 5219-Q, subsection 1.

**Sec. 4. 36 MRSA §5217, sub-§4 is enacted to read:**

**4. Quality child care.** The credit allowed under subsection 1 doubles in amount if the day care service provided by the taxpayer constitutes quality child care.'

R.S.

COMMITTEE AMENDMENT "A" to S.P. 359, L.D. 1063

2 Further amend the bill in section 3 in that part designated  
3 "§5218." in the first paragraph in the 10th and 11th lines (page  
4 1, lines 29 and 30 in L.D.) by striking out the following: "in  
5 rules adopted by the Department of Human Services under section  
6 5219-Q, subsection 5" and inserting in its place the following:  
7 'in section 5219-Q, subsection 1'

8 Further amend the bill in section 4 in that part designated  
9 "§5219-Q." by striking out all of subsection 1 and inserting in  
10 its place the following:

11 '1. Definition. As used in this section, unless the  
12 context otherwise indicates, "quality child care" means care  
13 provided at a child care site that meets minimum licensing  
14 standards and:

15 A. Is accredited by an independent, nationally recognized  
16 program approved by the Department of Human Services, Office  
17 of Head Start and Child Care;

18 B. Utilizes recognized quality indicators for child care  
19 services approved by the Department of Human Services,  
20 Office of Head Start and Child Care; and

21 C. Includes provisions for parent and client input, a  
22 review of the provider's policies and procedures, a review  
23 of the provider's program records and an on-site program  
24 review.

25 For large, multi-function agencies, only those portions of the  
26 child care sites that were reviewed by the accrediting body may  
27 be considered quality child care sites.'

28 Further amend the bill in section 4 in that part designated  
29 "§5219-Q." in subsection 2 in the next-to-the-last line (page 1,  
30 line 45 in L.D.) by striking out the following: "the creation of  
31 quality" and inserting in its place the following: 'investments  
32 in'

33 Further amend the bill in section 4 in that part designated  
34 "§5219-Q." in subsection 3 by striking out all of paragraphs A  
35 and B and inserting in their place the following:

36 'A. For a corporation, 30% of up to \$30,000 of  
37 expenditures, apportioned if part of an affiliated group  
38 engaged in a unitary business; and

39 B. For an individual taxpayer, if the taxpayer expends  
40 \$10,000 in one year, \$1,000 each year for 10 years and  
41 \$10,000 at the end of the 10-year period.'

# COMMITTEE AMENDMENT

R 45

COMMITTEE AMENDMENT "A" to S.P. 359, L.D. 1063

2 Further amend the bill in section 4 in that part designated  
"§5219-Q." by striking out all of subsections 5 and 6.

4 Further amend the bill by inserting after section 4 the  
following:

6 'Sec. 5. Application. This Act applies to tax years beginning  
8 on or after January 1, 2000.

10 Sec. 6. Appropriation. The following funds are appropriated  
12 from the General Fund to carry out the purposes of this Act.

2000-01

14 ADMINISTRATIVE AND FINANCIAL  
16 SERVICES, DEPARTMENT OF

18 Bureau of Revenue Services

20	Positions - Legislative Count	(1,000)
	Personal Services	\$15,903
22	All Other	20,675

24 Provides funds for a Tax Examiner position  
26 and related expenses to audit affected  
income tax returns and for computer  
28 programming costs associated with adding a  
line to the individual and corporate income  
tax returns.

30 DEPARTMENT OF ADMINISTRATIVE AND  
32 FINANCIAL SERVICES  
TOTAL

\$36,578'

34 Further amend the bill by relettering or renumbering any  
36 nonconsecutive Part letter or section number to read  
consecutively.

38 Further amend the bill by inserting at the end before the  
40 summary the following:

42 FISCAL NOTE

	1999-00	2000-01
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44 APPROPRIATIONS/ALLOCATIONS

46	General Fund	\$36,578
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COMMITTEE AMENDMENT

2 REVENUES

4	General Fund	(\$326,551)	(\$1,104,435)
	Other Funds	(17,549)	(59,353)

6  
 8 The expansion of child care tax credits in this bill will  
 10 decrease individual and corporate tax collections by combined  
 12 totals of \$344,100 in fiscal year 1999-00 and \$1,163,788 in  
 14 fiscal year 2000-01. The reduction of these tax collections will  
 16 decrease the amounts transferred to the Local Government Fund for  
 state-municipal revenue sharing in those years by \$17,549 and  
 \$59,353, respectively. The resulting net reductions of General  
 Fund revenue will be \$326,551 in fiscal year 1999-00 and  
 \$1,104,435 in fiscal year 2000-01.

18 The Bureau of Revenue Services will incur additional costs  
 20 estimated to be \$36,578 in fiscal year 2000-01 for a Tax Examiner  
 22 position and related expenses to audit affected returns and for  
 24 computer programming costs to add a line to both the individual  
 and corporate income tax forms. An additional General Fund  
 appropriation to fund these additional costs is included in this  
 bill.'

26 SUMMARY

28 This amendment adds a definition of "quality child care,"  
 30 provides that the income tax credit for employer-assisted day  
 care is doubled if the day care provided qualifies as "quality  
 32 child care," clarifies the quality child care investment credit  
 and adds an appropriation section and a fiscal note to the bill.