

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1063

S.P. 359

In Senate, February 9, 1999

An Act to Create Quality Child Care Investment Incentives.

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 LONGLEY of Waldo.
Cosponsored by Speaker ROWE of Portland and
Senator RUHLIN of Penobscot, Representatives: BAKER of Bangor, COLWELL of
Gardiner, DAVIDSON of Brunswick, MURPHY of Berwick.

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

2
4 **Sec. 1. 36 MRSA §2524, sub-§2, ¶C** is enacted to read:

6 C. "Quality child care" has the meaning set forth in rules
8 adopted by the Department of Human Services under section
10 5219-Q, subsection 5.

12 **Sec. 2. 36 MRSA §2524, sub-§4** is enacted to read:

14 4. Quality child care. The credit allowed under this
16 section doubles in amount if the day care service provided by the
18 taxpayer constitutes quality child care.

20 **Sec. 3. 36 MRSA §5218**, as amended by PL 1987, c. 772, §40, is
22 further amended to read:

24 **§5218. Income tax credit for child care expenses**

26 A resident individual ~~shall-be~~ is allowed a credit against
28 the tax otherwise due under this Part in the amount of 20% of the
30 federal tax credit allowable for child and dependent care
32 expenses in tax year 1987; and 25% of the federal tax credit
allowable for child and dependent care expenses thereafter. ~~In~~
~~no-case-may-this-credit-reduce-the-Maine-income-tax-to-less-than~~
~~zero.~~ This credit doubles in amount if the child care expenses
were incurred through the use of quality child care. As used in
this section, unless the context otherwise indicates, "quality
child care" has the meaning set forth in rules adopted by the
Department of Human Services under section 5219-Q, subsection 5.
The credit allowed by this section may result in a refund of up
to \$500.

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

36 **§5219-Q. Quality child care investment credit**

38 1. Definition. As used in this section, unless the context
40 otherwise indicates, "quality child care" has the meaning
developed under subsection 5.

42 2. Credit allowed. A taxpayer is allowed a credit against
44 the tax imposed by this Part in an amount equal to the qualifying
46 portion of expenditures paid or expenses incurred by the taxpayer
for the creation of quality child care services as calculated
pursuant to subsection 3.

48 3. Qualifying portion. For purposes of calculating the
50 credit, the qualifying portion is:

52 A. Thirty percent for up to \$30,000 of expenditures; and

