

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1722

S.P. 599

In Senate, March 9, 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 cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator AMERO of Cumberland.

Cosponsored by Senators: HARRIMAN of Cumberland, LONGLEY of Waldo, MITCHELL of Penobscot, Representatives: BRENNAN of Portland, SHOREY of Calais.

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
health insurance premium paid by the taxpayer.

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

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

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

24 **3. Limitation.** The amount of the credit allowed under this
26 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
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 As used in this section, "taxpayer" means an individual.

34 **SUMMARY**

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