

MAINE STATE LEGISLATURE

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Res

L.D. 1786

DATE: May 20, 1999

(Filing No. S- 328)

TAXATION

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

COMMITTEE AMENDMENT "A" to S.P. 621, L.D. 1786, Bill, "An Act to Provide a \$500 State Income Tax Credit for Private School Tuition Payments"

Amend the bill by striking out the title and substituting the following:

'An Act to Provide a \$500 State Income Tax Credit for School Tuition Payments'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

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

§5219-Q. School tuition credit

A taxpayer whose Maine adjusted gross income is \$50,000 or less is allowed a credit against the tax imposed by this Part for tuition payments made for full-time private or public elementary and secondary school education for the taxpayer's dependents. The maximum credit that may be claimed is \$500, regardless of the number of dependents for whom tuition payments are made and regardless of filing status. The credit may not reduce the tax to less than zero.'

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

COMMITTEE AMENDMENT

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FISCAL NOTE

1999-00 2000-01

REVENUES

General Fund	(\$855,381)	(\$2,859,826)
Other Funds	(45,969)	(153,689)

The income tax credit for elementary and secondary school tuition payments will decrease individual income tax collections by \$901,350 in fiscal year 1999-00 and \$3,013,515 in fiscal year 2000-01. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$45,969 and \$153,689, respectively. The resulting net reductions of General Fund revenue will be \$855,381 in fiscal year 1999-00 and \$2,859,826 in fiscal year 2000-01.

The Bureau of Revenue Services will incur some minor additional costs to audit income tax returns affected by this credit. These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

This amendment clarifies that the credit applies to elementary and secondary school tuition, includes tuition payments made to public schools and adds a fiscal note.