

MAINE STATE LEGISLATURE

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M
R. of S.

L.D. 502

DATE: 5-7-03

(Filing No. H-286)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 387, L.D. 502, Bill, "An Act To Expand the Education Tax Credit"

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

Sec. 1. 10 MRSA §1100-Y, sub-§1, ¶A, as enacted by PL 2001, c. 700, §1, is amended to read:

A. "Eligible student" means a student who:

(1) Is a resident of the State;

(2) Is a graduate of an approved secondary school or the equivalent, including, but not limited to, a student who received equivalent instruction through home instruction, a student who matriculated at an accredited public or private institution of higher education in the State prior to high school graduation or a student who successfully completed a general educational development examination or its equivalent; and

(3) Is or will be matriculated at an institution of higher education, and

~~(4) Signs a statement of intent to reside in the State upon graduation from that institution of higher education.~~

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2 Sec. 2. 10 MRSA §1100-Y, sub-§2, ¶B, as enacted by PL 2001, c.
700, §1, is repealed and the following enacted in its place:

4 B. Following initial certification pursuant to paragraph A,
6 annual certification standards for a qualified scholarship
8 organization must include the requirement that the qualified
10 scholarship organization:

12 (1) Has awarded in the form of need-based scholarships
14 an amount equal to at least 95% of the contributions
16 received during the preceding calendar year that are
18 eligible for a tax credit under Title 36, section 2527
20 or 5219-U; or

22 (2) Demonstrate that it is a need-based
24 scholarship-granting organization possessing an
26 endowment or endowments with a value of not less than
28 \$1,000,000 that makes a commitment to spend on
30 need-based scholarships an amount equal to 100% of the
32 contributions that are eligible for the tax credit
34 received during the preceding calendar year and to
36 spend no more than 2% of the value of the endowment or
38 endowments of the organization on administrative
40 expenses related to the distribution of scholarships,
42 exclusive of investment management fees and awarded
44 grants.

28 Sec. 3. 10 MRSA §1100-Y, sub-§2, ¶C is enacted to read:

30 C. A qualified scholarship organization must demonstrate
32 that it encourages scholarship recipients to stay in this
34 State or to return to this State upon completion of
36 education. The organization may meet this requirement by
38 demonstrating that it requires scholarship recipients to
40 sign a statement of intent to reside in this State upon
42 graduation from institutions of higher education or by
44 providing organized community service opportunities,
46 fellowships, job assistance, professional development or
48 other activities designed to connect Maine students with
50 businesses and communities in this State.'

SUMMARY

46 This amendment allows a need-based scholarship granting
48 organization possessing an endowment or endowments with a value
50 of not less than \$1,000,000 to be designated as a qualified
scholarship organization if it demonstrates that the organization
awards an amount equal to 100% of the amount of funds eligible
for the tax credit received during the preceding calendar year

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and that administrative expenses for the endowments do not exceed 2% of the value of the endowments. The amendment also removes the requirement that a recipient sign a pledge intending to return to the State and instead requires the qualified scholarship organization to either require a pledge or to demonstrate that it offers outreach activities.

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