

# MAINE STATE LEGISLATURE

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L.D. 1249

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DATE: 5-19-03

(Filing No. H-480)

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TAXATION

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10 Reproduced and distributed under the direction of the Clerk of  
12 the House.

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

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18 COMMITTEE AMENDMENT "A" to H.P. 923, L.D. 1249, Bill, "An  
20 Act To Amend the Laws Governing the Quality Child Care Tax Credit"

20

22

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

24

26

26 'Sec. 1. 36 MRSA §5219-Q, sub-§1-A, as enacted by PL 1999, c.  
708, §47, is amended to read:

28

30 1-A. Certification. Upon application by an investor or  
32 contributor, the Department of Human Services, Office of Head  
Start and Child Care shall certify if an investment in or  
34 contribution to a child care site contributed significantly  
toward the ability of the child care site to improve its level of  
36 child care services toward the goal of providing quality child  
care services. The department shall send a list of taxpayers  
making certified investments or contributions in the previous  
38 year to the State Tax Assessor by February 1st annually.

38

40 Sec. 2. 36 MRSA §5219-Q, sub-§§2 and 3, as amended by PL 1999,  
c. 708, §47, are further amended to read:

42

42 2. Credit allowed. A taxpayer that has made an investment  
44 in or contribution to child care services certified under  
subsection 1-A during the tax year is allowed a credit against  
46 the tax imposed by this Part in an amount equal to the qualifying  
portion of expenditures paid or expenses incurred by the taxpayer

2 ~~for certified investments in child care services~~ as calculated  
pursuant to subsection 3.

4 **3. Qualifying portion.** For purposes of calculating the  
credit provided by this section, the qualifying portion is:

6 A. For a corporation, 30% of up to \$30,000 of expenditures  
8 certified investments or contributions, apportioned if part  
of an affiliated group engaged in a unitary business; and

10 B. For an individual taxpayer, if the taxpayer expends  
12 makes certified investments or contributions of at least  
14 \$10,000 in one year, \$1,000 each year for 10 years and  
\$10,000 at the end of the 10-year period.

16 **Sec. 3. Application.** This Act applies to tax years beginning  
on or after January 1, 2004.'

18  
20 **SUMMARY**

22 This amendment replaces the bill and provides that the  
income tax credit for investments in quality child care services  
24 also applies to contributions made to quality child care services.

FISCAL NOTE REQUIRED  
(See attached)

**121st Maine Legislature  
Office of Fiscal and Program Review**



**LD 1249**

**An Act To Amend the Laws Governing the Quality Child Care Tax  
Credit**

**LR 0398(02)**

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Taxation**

**Fiscal Note Required: Yes**

**Fiscal Note**

	<b>2003-04</b>	<b>2004-05</b>	<b>Projections 2005-06</b>	<b>Projections 2006-07</b>
<b>Net Cost (Savings)</b>				
General Fund	\$8,304	\$55,517	\$64,938	\$78,447
<b>Revenue</b>				
General Fund	(\$8,304)	(\$55,517)	(\$64,938)	(\$78,447)
Other Special Revenue Funds	(\$446)	(\$2,983)	(\$3,562)	(\$4,303)

**Fiscal Detail and Notes**

Providing an income tax credit for contributions made to quality child care services will reduce income tax collections by an estimated \$8,750 in fiscal year 2003-04 and \$58,500 in fiscal year 2004-05. 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 \$446 and \$2,983. The resulting net reduction of General Fund revenue is estimated to be \$8,304 in fiscal year 2003-04 and \$55,517 in fiscal year 2004-05.