

# MAINE STATE LEGISLATURE

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L.D. 235

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DATE: 3-7-06

(Filing No. H-807)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 174, L.D. 235, Bill, "An Act To Increase the Minimum Wage"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 36 MRSA §5219-Y is enacted to read:

§5219-Y. Credit for hiring certain employees

1. Credit allowed. An employer who hires a person who has been unemployed for a year or more or who is an unskilled laborer is allowed a credit against the tax imposed under this Part equal to the difference between the federal minimum wage and the Maine minimum wage, multiplied by the number of hours worked by that person. The Department of Labor shall establish rules to define "unskilled laborer."

2. Limitation. The credit allowed by this section may not be used to reduce an employer's tax liability under this Part to less than zero and is applicable only to the first 12 months of the employment of a person under subsection 1.

3. Rules. The rules established by the Department of Labor pursuant to this section are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A.

4. Application. This section applies to tax years beginning on or after January 1, 2007.'

AMS

HOUSE AMENDMENT "A" to H.P. 174, L.D. 235

2 Further amend the bill by relettering or renumbering any  
nonconsecutive Part letter or section number to read  
consecutively.

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SUMMARY

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10 This amendment allows an employer who hires a person who has  
been unemployed for a year or more or who is an unskilled laborer  
a tax credit equal to the difference between the federal minimum  
12 wage and the state minimum wage, multiplied by the number of  
hours worked by that person. The credit is for the first 12  
14 months of the employment only. The tax is applicable to tax  
years beginning on or after January 1, 2007. The Department of  
Labor is directed to establish rules to define "unskilled  
16 laborer."

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SPONSORED BY: 

(Representative LINDELL)

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TOWN: Frankfort

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# 122nd MAINE LEGISLATURE

LD 235

LR 0714(18)

An Act To Increase the Minimum Wage

Fiscal Note for House Amendment "A"

Sponsor: Rep. Lindell

Fiscal Note Required: Yes

## Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$65,474	\$446,253	\$504,163
<b>Revenue</b>				
General Fund	\$0	(\$65,474)	(\$446,253)	(\$504,163)
Other Special Revenue Funds	\$0	(\$3,519)	(\$24,478)	(\$27,655)

### Fiscal Detail and Notes

The income tax credit for certain employers is expected to reduce General Fund revenue by \$65,474 in fiscal year 2006-07. Additional costs to the Department of Labor associated with rulemaking can be absorbed utilizing existing budgeted resources.