

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1480

H.P. 1042

House of Representatives, March 19, 2007

### **An Act To Provide an Income Tax Credit for Donations to Maine Public Schools**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative BERRY of Bowdoinham.  
Cosponsored by Senator MILLS of Somerset and  
Representatives: Speaker CUMMINGS of Portland, PIOTTI of Unity, PRATT of Eddington,  
RAND of Portland, SAVIELLO of Wilton, Senators: MARTIN of Aroostook, NUTTING of  
Androscoggin.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5219-BB** is enacted to read:

3 **§5219-BB. Credit for donation to public schools**

4 **1. Credit allowed.** A credit is allowed in the amount of 30% of the value of a  
5 donation to a school operated by a school administrative unit as defined in Title 20-A,  
6 section 1, subsection 26, for the purpose of supporting academic programs and services as  
7 defined by the Department of Education. The credit may not reduce the tax otherwise  
8 due under this Part to less than zero.

9 **2. Eligible donations.** The Department of Education shall adopt routine technical  
10 rules under Title 5, chapter 375, subchapter 2-A that define donations for the purpose of  
11 supporting academic programs and services that are eligible for the credit under this  
12 section.

13 **3. Impact on education funding.** Forty percent of the total amount of donations  
14 made to a school that are eligible for a credit under this section may not be used to reduce  
15 the amount of state funding to the school administrative unit under Title 20-A.

16 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,  
17 2007.

18 **SUMMARY**

19 This bill provides an income tax credit for 30% of eligible donations to a public  
20 school for the purpose of supporting academic programs and services. The Department  
21 of Education is required to define eligible donations. Forty percent of eligible donations  
22 to the school may not be used to reduce state funding to the school administrative unit  
23 receiving the donation.