MAINE STATE LEGISLATURE

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1	L.D. 254
2	Date: 6/8/9 (Filing No. H-5/3)
	Minority
3	HEALTH AND HUMAN SERVICES
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	124TH LEGISLATURE
8	FIRST REGULAR SESSION
9	COMMITTEE AMENDMENT " A" to H.P. 200, L.D. 254, Bill, "An Act To Enact a 5-point Welfare Reform Program"
11	Amend the bill by striking out the title and substituting the following:
12	'An Act To Enact a New Hire Tax Credit'
13 14	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
15	'Sec. 1. 36 MRSA §5219-EE is enacted to read:
16	§5219-EE. New hire tax credit
17 18	1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
19 20	A. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10.
21 22 23 24	B. "Qualifying person" means a person who, in the month prior to employment with an employing unit, was a recipient of benefits under the ASPIRE-TANF program under Title 22, chapter 1053-B and who is currently employed for at least 20 hours per week on average by the employing unit.
25 26 27 28	2. Amount of credit. For tax years beginning on or after January 1, 2010, a taxpayer that is an employing unit is allowed a tax credit against the tax otherwise due under this Part equal to 50% of the gross wages paid during the taxable year to a qualifying person during the first 12 continuous months of employment by the taxpayer.
29 30 31 32 33	3. Limitation. The tax credit under this section may not exceed \$10,000 for the taxable year and may not reduce the tax otherwise due under this Part to less than zero. A taxpayer entitled to a credit under this section for any taxable year may carry over and apply to the tax liability for any one or more of the succeeding 2 tax years the portion, as reduced from year to year, of any unused credit amount.

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1 2	§4, is amended to read:
3 4 5	Z. For income tax years beginning on or after January 1, 2008, the amount of any qualified state and local tax benefit and any qualified payment excluded from gross income pursuant to the Code, Section 139(b); and
6 7	Sec. 3. 36 MRSA §5122, sub-§1, ¶AA, as enacted by PL 2007, c. 539, Pt. CCC, §5, is amended to read:
8 9 10 11 12	AA. For taxable years beginning on or after January 1, 2008 but prior to January 1, 2010, an amount equal to the net increase in depreciation attributable to the 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 103 of the Economic Stimulus Act of 2008, Public Law 110-185 with respect to property placed in service during the taxable year-; and
13	Sec. 4. 36 MRSA §5122, sub-§1, ¶BB is enacted to read:
14 15	BB. An amount equal to the wages deducted in determining federal adjusted gross income that is included in the base for the new hire tax credit under section 5219-EE.
16 17	Sec. 5. 36 MRSA §5200-A, sub-§1, ¶T, as amended by PL 2007, c. 700, Pt. B, §2, is further amended to read:
18 19 20 21 22	T. For taxable years beginning on or after January 1, 2008 but prior to January 1, 2010, an amount equal to the net increase in depreciation attributable to the 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 103 of the Economic Stimulus Act of 2008, Public Law 110-185 with respect to property placed in service during the taxable year; and
23 _. 24	Sec. 6. 36 MRSA §5200-A, sub-§1, ¶U, as enacted by PL 2007, c. 700, Pt. B, §3, is amended to read:
25 26 27	U. For tax years beginning in 2008, 10% of the absolute value in excess of \$100,000 of any net operating loss that, pursuant to the Code, Section 172, is being carried over for federal income tax purposes to the taxable year by the taxpayer.: and
28	Sec. 7. 36 MRSA §5200-A, sub-§1, ¶V is enacted to read:
29 30	V. An amount equal to the wages deducted in determining federal taxable income that is included in the base for the new hire tax credit under section 5219-EE.
31 32	Sec. 8. Application. This Act applies to income tax years beginning on or after January 1, 2010.'
33	SUMMARY
34 35 36 37 38	This amendment is the minority report of the committee. This amendment replaces the bill. It retains from the bill the new hire tax credit for employers that hire persons for at least 20 hours per week, but specifies that for the employer to be eligible the new hire must have been, in the month prior to becoming employed, a recipient of assistance under the ASPIRE-TANF program. FISCAL NOTE REQUIRED
	(See attached)

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124th MAINE LEGISLATURE

LD 254

LR 731(03)

An Act To Enact a 5-point Welfare Reform Program

Fiscal Note for Bill as Amended by Committee Amendment ""

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

			Projections	Projections
	2009-10	2010-11	2011-12	2012-13
Net Cost (Savings)				
General Fund	\$431,933	\$1,101,430	\$1,156,502	\$1,214,327
Revenue				
General Fund	(\$431,933)	(\$1,101,430)	(\$1,156,502)	(\$1,214,327)
Other Special Revenue Funds	(\$22,733)	(\$57,971)	(\$60,868)	(\$63,912)

Fiscal Detail and Notes

This bill includes an individual or corporate new hire tax credit to an employer that hires a participant in the ASPIRE-TANF program beginning on or after January 1, 2010. The tax credit will reduce revenue to the General Fund by \$431,933 in FY 2009-10 and by \$1,101,430 in FY 2010-11. The tax credit will also reduce revenue to the Local Government Fund by \$22,733 in FY 2009-10 and \$57,971 in FY 2010-11. The costs to Maine Revenue Services associated with implementation of this tax credit can be absorbed within existing budgeted resources. Any direct impact to the Department of Health and Human Service's ASPIRE and TANF program spending is assumed to be minor given federal maintenance of effort spending requirements.