

MAINE STATE LEGISLATURE

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Majority

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 428, L.D. 590, Bill, "An Act To Establish a Wellness Tax Credit"

Amend the bill by striking out all of section 1 and inserting the following:

Sec. 1. 36 MRSA §5122, sub-§1, ¶Z, as enacted by PL 2007, c. 539, Pt. CCC, §4, is amended to read:

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

Sec. 2. 36 MRSA §5122, sub-§1, ¶AA, as enacted by PL 2007, c. 539, Pt. CCC, §5, is amended to read:

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

Sec. 3. 36 MRSA §5122, sub-§1, ¶BB is enacted to read:

BB. The amount claimed as a deduction in determining federal adjusted gross income that is included in the credit for wellness programs under section 5219-EE.

Sec. 4. 36 MRSA §5200-A, sub-§1, ¶T, as amended by PL 2007, c. 700, Pt. B, §2, is further amended to read:

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

COMMITTEE AMENDMENT

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Sec. 5. 36 MRSA §5200-A, sub-§1, ¶U, as enacted by PL 2007, c. 700, Pt. B, §3, is amended to read:

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

Sec. 6. 36 MRSA §5200-A, sub-§1, ¶V is enacted to read:

V. The amount claimed as a deduction in determining federal taxable income that is included in the credit for wellness programs under section 5219-EE.

Sec. 7. 36 MRSA §5219-EE is enacted to read:

§5219-EE. Credit for wellness programs

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Employee" means an individual who performs services for an employing unit.
- B. "Employing unit" has the same meaning as in Title 26, section 1043.
- C. "Qualified wellness program expenditure" means expenses by an employing unit to develop, institute and maintain a wellness program.
- D. "Wellness program" means a program instituted by an employing unit that improves employee health, morale and productivity, including, without limitation:
 - (1) Health education programs;
 - (2) Behavioral change programs such as counseling or seminars or classes on nutrition, stress management or smoking cessation;
 - (3) Time during the work day for exercise;
 - (4) Equipping, operating and maintaining a facility owned by the employing unit for use by its employees for exercise;
 - (5) Equipping and registering an athletic team that is composed solely of employees and spouses or dependants of employees who are members of the employing unit's health care plan;
 - (6) Membership, either individual or group, to a health club or gym; and
 - (7) Incentive awards to employees who engage in regular physical activity.

2. Credit allowed. A taxpayer constituting an employing unit with 20 or fewer employees on an average monthly basis during the taxable year is allowed a credit against the tax imposed by this Part for each taxable year beginning on or after January 1, 2009 for qualified wellness program expenditures made during the taxable year.

3. Record keeping. An employing unit that makes qualified wellness program expenditures is responsible for recording exercise facility usage or the amount of time employees engage in wellness programs for which the employing unit is claiming an expense.

1 4. Limit; carry-over. The total credit for each taxpayer under this section is limited
2 to \$100 per employee or \$2,000, whichever is less, per tax year. The credit may not
3 reduce the tax otherwise due under this Part to less than zero. A taxpayer entitled to a
4 credit under this section for any taxable year may carry over the portion, as reduced from
5 year to year, of any unused credit and apply it to the tax liability for any one or more of
6 the next succeeding 5 taxable years.

7 5. Calculation and transfer; Fund for a Healthy Maine. Notwithstanding any
8 other provision of law, the State Budget Officer, no later than July 1st annually, shall
9 calculate the amount of the income tax revenue lost due to the credit provided under this
10 section and transfer that amount from the Fund for a Healthy Maine, established in Title
11 22, section 1511, to the General Fund.'

12 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
13 section number to read consecutively.

14 **SUMMARY**

15 This amendment makes technical corrections and clarifies provisions in the bill with
16 regard to the number of employees required to be eligible for the wellness tax credit.

FISCAL NOTE REQUIRED

(See attached)



124th MAINE LEGISLATURE

LD 590

LR 790(02)

An Act To Establish a Wellness Tax Credit

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

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	\$0	\$0	\$0	\$0
Fund for a Healthy Maine	\$377,039	\$310,460	\$319,107	\$327,995
Revenue				
General Fund	(\$377,039)	(\$310,460)	(\$319,107)	(\$327,995)
Other Special Revenue Funds	(\$20,681)	(\$17,030)	(\$17,504)	(\$17,991)
Transfers				
General Fund	\$377,039	\$310,460	\$319,107	\$327,995
Fund for a Healthy Maine	(\$377,039)	(\$310,460)	(\$319,107)	(\$327,995)

Fiscal Detail and Notes

This bill includes a tax credit to employers of 20 or fewer employees for the expense of developing, instituting and maintaining wellness programs for their employees in the amount of \$100 per employee, up to a maximum of \$2,000 per employer. The loss in General Fund revenue from the tax credit is to be offset by a transfer of funds from the Fund for a Healthy Maine to the General Fund.