

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 744

S.P. 291

In Senate, February 26, 2009

### An Act To Allow a Tax Credit for Tuition Paid to Private Schools

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SHERMAN of Aroostook.

Cosponsored by Senator: NASS of York, Representative: JOY of Crystal.

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

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

3 **§5219-DD. Private school tuition credit**

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

6 A. "Dependent" means a dependent as defined by Section 152 of the Code.

7 B. "Private school" means a private academy, seminary, institute or other private  
8 corporation or body formed for educational purposes covering kindergarten to grade  
9 12, or any portion thereof, that satisfies the requirements prescribed by law for  
10 private schools in this State.

11 **2. Credit allowed.** A resident individual is allowed a credit against the tax  
12 otherwise due under this Part of up to \$2,500 for tuition for the resident individual or the  
13 resident individual's dependent paid by the resident individual to a private school for the  
14 same taxable year.

15 **3. Nonresident taxpayer.** A nonresident individual is allowed a credit against the  
16 tax otherwise due under this Part in the amount of the tax credit allowed under subsection  
17 2 multiplied by the ratio of the individual's Maine adjusted gross income, as defined in  
18 section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted  
19 gross income, as modified by section 5122.

20 **4. Part-year resident taxpayer.** An individual who files a return as a part-year  
21 resident in accordance with section 5224-A is allowed a credit against the tax otherwise  
22 due under this Part in the amount of the tax credit allowed under subsection 2 multiplied  
23 by a ratio, the numerator of which is the individual's Maine adjusted gross income as  
24 defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year  
25 during which the individual was a resident plus the individual's Maine adjusted gross  
26 income as defined in section 5102, subsection 1-C, paragraph B for that portion of the  
27 taxable year during which the individual was a nonresident and the denominator of which  
28 is the individual's entire federal adjusted gross income, as modified by section 5122.

29 **5. Limitation; carry-over.** The credit under this section may not reduce the tax  
30 otherwise due under this Part to less than zero. An individual entitled to a credit under  
31 this section for any taxable year may carry over and apply to the tax liability for any one  
32 or more of the next succeeding 5 taxable years the portion, as reduced from year to year,  
33 of any unused credits.

34 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,  
35 2009.

**SUMMARY**

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This bill provides for an income tax credit of up to \$2,500 for tuition paid to a private school for a taxpayer or a dependent of the taxpayer.