

MAINE STATE LEGISLATURE

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Date: 6/2/11

L.D. 521

(Filing No. H-478)

Minority

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 404, L.D. 521, Bill, "An Act To Employ the Unemployed"

Amend the bill by striking out everything after the title and before the summary and inserting the following:

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

Sec. 1. 36 MRSA §6753, sub-§14 is enacted to read:

14. Unemployed person. "Unemployed person" means a person who has not been employed for at least 6 months continuously in the 12 months preceding the date of hire and was receiving unemployment benefits pursuant to Title 26, chapter 13 for all or a portion of that period of time.

Sec. 2. 36 MRSA §6754-A is enacted to read:

§6754-A. Reimbursement for hiring unemployed persons

An employer that hires an unemployed person as a qualified employee is entitled to reimbursement of state income tax withheld for that employee during the first 6 months that the qualified employee is employed.

1. Generally. Reimbursement to employers must be administered in the same manner and according to the same timetable as under applicable provisions of section 6758. An employee for whom reimbursement is received under this section may not also count as a qualified employee under section 6754 during the period for which reimbursement is made under this section.

2. Funding. Funding for the Governor's Training Initiative Program under Title 26, section 2031 must be reduced by the amount of reimbursement paid under this section.

3. Recapture. The assessor may recapture a portion or all of the credit allowed under this section if the employer terminates the employment of the qualified employee prior to the one-year anniversary of the date of hire.

COMMITTEE AMENDMENT

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4. Repeal. This section is repealed December 31, 2014.

Sec. 3. Application. This Act applies to tax years beginning on or after January 1, 2012.'

SUMMARY

This amendment removes the emergency preamble and clause. It changes the bill to apply only to persons who are collecting Maine unemployment benefits and allows the State Tax Assessor to recapture the credit if the employer terminates the qualified employee prior to the one-year anniversary of the date of hire. It provides an application date of tax years beginning on or after January 1, 2012. The amendment repeals the law on December 31, 2014.

FISCAL NOTE REQUIRED
(See attached)



125th MAINE LEGISLATURE

LD 521

LR 91(02)

An Act To Employ the Unemployed

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

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$0	\$0	\$42,750	\$33,250
Revenue				
General Fund	\$0	\$0	(\$42,750)	(\$33,250)
Other Special Revenue Funds	\$0	\$0	(\$2,250)	(\$1,750)

Fiscal Detail and Notes

Permitting employers hiring persons who were not employed for 6 months continuously during the year preceding the date of hire and who were receiving unemployment benefits for all or part of that time to receive reimbursement for the state income tax amount withheld for such employee during the first 6 months of employment starting with tax years beginning January 1, 2012 and until repeal of this law on December 31, 2014 as long as the employer does not terminate the employee prior to the one-year anniversary of the date of hire will reduce General Fund revenue and reduce revenue sharing starting in fiscal year 2013-14.