

MAINE STATE LEGISLATURE

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ROFS

L.D. 835

Date: 5/11/11

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Majority
TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 632, L.D. 835, Bill, "An Act To Strengthen Maine's Economy through Improvements to the Educational Opportunity Tax Credit"

Amend the bill in section 1 by striking out all of paragraph A (page 1, lines 4 to 6 in L.D.) by inserting the following:

'A. The individual may claim the educational opportunity tax credit only with respect to loans that are part of that individual's financial aid package and that ~~have a term of at least 8 years~~ are entered into before July 1, 2022.'

Amend the bill by inserting after section 2 the following:

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

SUMMARY

This amendment provides that the Job Creation Through Educational Opportunity Program tax credit applies to qualifying educational opportunity loans entered into before July 1, 2022. The intent of this limitation is to require reconsideration of the program to determine whether it should be continued.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



125th MAINE LEGISLATURE

LD 835

LR 1210(02)

An Act To Strengthen Maine's Economy through Improvements to the Educational Opportunity Tax Credit

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	\$54,150	\$82,080	\$114,000
Revenue				
General Fund	\$0	(\$54,150)	(\$82,080)	(\$114,000)
Other Special Revenue Funds	\$0	(\$2,850)	(\$4,320)	(\$6,000)

Fiscal Detail and Notes

Amending the educational opportunity tax credit by removing restrictions on the term of eligible loans and by making the credit refundable for tax years beginning on or after January 1, 2012 will reduce General Fund revenues and reduce revenue sharing starting in fiscal year 2012-13. Maine Revenue Services (MRS) states that revenue reductions may be substantially larger beyond fiscal year 2014-15 as more cohorts become eligible for a full credit and participation levels increase. The refundability of the credit creates greater uncertainty regarding the size of the potential revenue reduction.