

MAINE STATE LEGISLATURE

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8mg
10/25/12

L.D. 835

Date: 3-22-12

(Filing No. H-814)

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

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "B" 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 amendment by striking out all of section 9 (page 3, lines 9 to 25 in
amendment) and inserting the following:

'Sec. 9. 36 MRSA §5217-D, sub-§2, as enacted by PL 2007, c. 469, Pt. B, §1, is
repealed and the following enacted in its place:

2. Credit allowed. A taxpayer constituting an opportunity program participant or an
employer of a qualified employee is allowed a credit against the tax imposed by this Part
for each taxable year under the terms established in this section. The credit is created to
implement the Job Creation Through Educational Opportunity Program established under
Title 20-A, chapter 428-C.

A. A taxpayer entitled to the credit for any taxable year may carry over and apply to
the tax liability for any one or more of the next succeeding 10 years the portion, as
reduced from year to year, of any unused credits.

B. More than one taxpayer may claim a credit based on loan payments actually made
to a relevant lender or lenders to benefit a single opportunity program participant, but
no 2 taxpayers may claim the credit based on the same payment.

C. Except as provided in paragraph D, the credit may not reduce the tax otherwise
due under this Part to less than zero. The credit allowed to an employer of a qualified
employee may not reduce the tax otherwise due under this Part to less than zero.

D. Notwithstanding paragraph C, the credit allowed to an opportunity program
participant is refundable if the opportunity program participant obtains an associate
degree or bachelor's degree in science, technology, engineering or mathematics.'

SUMMARY

Committee Amendment "B" made the educational opportunity tax credit available
under the Job Creation Through Educational Opportunity Program refundable.



125th MAINE LEGISLATURE

LD 835

LR 1210(11)

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

Fiscal Note for House Amendment "A" to Committee Amendment "B"

Sponsor: Rep. Keschl of Belgrade

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	(\$56,050)	(\$220,400)	(\$314,450)
Revenue				
General Fund	\$0	\$56,050	\$220,400	\$314,450
Other Special Revenue Funds	\$0	\$2,950	\$11,600	\$16,550

Fiscal Detail and Notes

The amendment further modifies the educational opportunity tax credit by making the credit refundable for students majoring in science, mathematics, engineering or technology for tax years beginning after December 31, 2012. The amendment will increase General Fund revenues and increase revenue sharing relative to Committee Amendment "B" starting in fiscal year 2012-13. The refundability of the credit creates greater uncertainty over the long term revenue effects of the bill.

Additional costs to the University of Maine System, the Maine Community College System and Maine Maritime Academy to report the required information to the Department of Education by February 1, 2021 can be absorbed within the budgeted resources of each institution. The Department of Education has estimated the cost for its staff to compile the data submitted and submit the required recommendations by March 1, 2021 to be approximately \$8,000 in fiscal year 2020-21.