

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 1099

S.P. 381

In Senate, March 19, 2013

### An Act To Provide an Internship Employment Tax Credit

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Reference to the Joint Select Committee on Maine's Workforce and Economic Future suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator GOODALL of Sagadahoc.  
Cosponsored by Senators: CAIN of Penobscot, KATZ of Kennebec, LANGLEY of Hancock,  
MILLETT of Cumberland, Representative: McCABE of Skowhegan.

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

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

3 **§5219-II. Internship employment tax credit**

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

6 A. "Employer" has the same meaning as "employing unit," as defined in Title 26,  
7 section 1043, subsection 10.

8 B. "Intern" means a student who:

9 (1) Is enrolled in an institution of higher education or in a vocational or technical  
10 education program;

11 (2) Is enrolled in a program of study that leads to a degree or a certification of  
12 completion in a major field of study closely related to the work performed for the  
13 employer;

14 (3) Will receive academic credit toward the completion of a degree or credit  
15 toward the completion of a vocational or technical education program for the  
16 work performed for the employer; and

17 (4) Is supervised and evaluated by the employer.

18 C. "Qualified compensation" means a stipend, hourly wage or salary paid for  
19 services rendered in an employment position and excludes payment in a medium  
20 other than legal tender, such as meals provided at the employer's expense.

21 **2. Credit allowed.** An employer is allowed a credit against the tax imposed by this  
22 Part subject to the qualifications in subsection 3 and limitations contained in subsection 4.  
23 The amount of the credit to which an employer is entitled is 10% of the qualified  
24 compensation paid to an intern employed by the employer.

25 **3. Qualifications.** An employer of an intern may claim the credit allowed by this  
26 section for a tax year in which the employer employs an intern.

27 **4. Limitations.** An employer may not receive more than \$3,000 in total credits for  
28 all interns employed under this section for all taxable years combined. The tax credit  
29 under this section applies to qualified compensation for not more than 5 interns employed  
30 at the same time. The credit may not reduce the tax otherwise due under this Part to less  
31 than zero.

32 **5. Review.** By January 15, 2018, the joint standing committee of the Legislature  
33 having jurisdiction over taxation matters shall review the effectiveness and cost of the  
34 credit provided pursuant to this section, with assistance from the Department of  
35 Administrative and Financial Services, Bureau of Revenue Services. The joint standing  
36 committee may report out legislation to the Second Regular Session of the 128th  
37 Legislature based on its review.

