

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

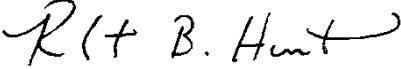
No. 787

H.P. 536

House of Representatives, March 10, 2015

An Act To Provide Tax Credits for Adult Day Care and Respite and Hospice Care

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative HARLOW of Portland.
Cosponsored by Representatives: ALLEY of Beals, GOLDEN of Lewiston, RYKERSON of Kittery, SHORT of Pittsfield, STANLEY of Medway.

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

2 **Sec. 1. 36 MRSA §5218**, as amended by PL 2005, c. 519, Pt. DD, §§1 to 3, is
3 further amended to read:

4 **§5218. Income tax credit for child and adult care expenses**

5 **1. Resident taxpayer.** A resident individual is allowed a credit against the tax
6 otherwise due under this Part in the amount of 25% of the federal tax credit allowable for
7 child and dependent care expenses in the same tax year, ~~except that for tax years~~
8 ~~beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%~~ as
9 modified under subsection 1-A.

10 **1-A. Adult care expenses.** The modified tax credit available under this section is
11 equal to the federal tax credit allowable for child and dependent care expenses calculated
12 as if it included expenses paid by the taxpayer for adult day care, respite care and hospice
13 care.

14 **2. Nonresident taxpayer.** A nonresident individual is allowed a credit against the
15 tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable
16 for child and dependent care expenses, as modified under subsection 1-A, multiplied by
17 the ratio of the individual's Maine adjusted gross income, as defined in section 5102,
18 subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as
19 modified by section 5122, ~~except that for tax years beginning in 2003, 2004 and 2005, the~~
20 ~~applicable percentage is 21.5% instead of 25%.~~

21 **2-A. Part-year resident taxpayer.** An individual who files a return as a part-year
22 resident in accordance with section 5224-A is allowed a credit against the tax otherwise
23 due under this Part in the amount of 25%, ~~except that for tax years beginning in 2003,~~
24 ~~2004 and 2005 the applicable percentage is 21.5%, instead of 25%,~~ of the federal tax
25 credit allowable for child and dependent care expenses, as modified under subsection
26 1-A, multiplied by a ratio, the numerator of which is the individual's Maine adjusted
27 gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of
28 the taxable year during which the individual was a resident plus the individual's Maine
29 adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that
30 portion of the taxable year during which the individual was a nonresident and the
31 denominator of which is the individual's entire federal adjusted gross income, as modified
32 by section 5122.

33 **3. Quality child care services.** The credit provided by subsections 1, 2 and 2-A
34 doubles in amount if the child care expenses were incurred through the use of quality
35 child care services as defined in section 5219-Q, subsection 1.

36 **4. Refund.** The credit allowed by this section may result in a refund of up to \$500.
37 In the case of a nonresident individual, the refundable portion of the credit may not
38 exceed \$500 multiplied by the ratio of the individual's Maine adjusted gross income, as
39 defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal
40 adjusted gross income, as modified by section 5122. In the case of an individual who
41 files a return as a part-year resident in accordance with section 5224-A, the refundable

1 portion of the credit may not exceed \$500 multiplied by a ratio, the numerator of which is
2 the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C,
3 paragraph A for that portion of the taxable year during which the individual was a
4 resident plus the individual's Maine adjusted gross income as defined in section 5102,
5 subsection 1-C, paragraph B for that portion of the taxable year during which the
6 individual was a nonresident and the denominator of which is the individual's entire
7 federal adjusted gross income, as modified by section 5122.

8 **SUMMARY**

9 This bill expands the income tax credit for child and dependent care expenses to
10 include expenses paid for adult day care, respite care and hospice care.