

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2016

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Legislative Document

No. 1657

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S.P. 678

In Senate, March 16, 2016

### **An Act To Simplify and Expand the Educational Opportunity Tax Credit**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator ALFOND of Cumberland. (GOVERNOR'S BILL)

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

2 **Sec. 1. 36 MRSA §5217-D, sub-§1, ¶B-1**, as amended by PL 2015, c. 300, Pt.  
3 A, §42 and amended by c. 328, §5, is repealed and the following enacted in its place:

4 B-1. "Financial aid package" means financial aid obtained by a student for  
5 attendance at an accredited Maine community college, college or university. For  
6 purposes of a qualified individual claiming a credit under this section for tax years  
7 beginning on or after January 1, 2013 but before January 1, 2016 who is eligible for a  
8 credit under paragraph G, subparagraph (1), division (a), "financial aid package" may  
9 include financial aid obtained for up to 30 credit hours of course work at an  
10 accredited non-Maine community college, college or university earned prior to  
11 transfer to an accredited Maine community college, college or university, if the 30  
12 credit hours were earned after December 31, 2007 and the transfer occurred after  
13 December 31, 2012. For purposes of a qualified individual claiming a credit under  
14 this section for tax years beginning on or after January 1, 2016 who is eligible for a  
15 credit under paragraph G, subparagraph (1), division (a-1), "financial aid package"  
16 may include financial aid obtained by a student for attendance at an accredited non-  
17 Maine community college, college or university after December 31, 2007. For  
18 purposes of a qualified individual claiming a credit under this section for tax years  
19 beginning on or after January 1, 2016 who is eligible for a credit under paragraph G,  
20 subparagraph (1), division (b), "financial aid package" may include financial aid  
21 obtained by a student for attendance at an accredited non-Maine community college,  
22 college or university after December 31, 2007. For purposes of a qualified individual  
23 claiming a credit under this section for tax years beginning on or after January 1,  
24 2016 who is eligible for a credit under paragraph G, subparagraph (1), division (c),  
25 "financial aid package" may include financial aid obtained by a student for attendance  
26 at an accredited Maine college or university after December 31, 2007. For purposes  
27 of an employer claiming a credit under this section for tax years beginning on or after  
28 January 1, 2013, "financial aid package" may include financial aid obtained by a  
29 qualified employee for attendance at an accredited non-Maine community college,  
30 college or university. "Financial aid package" may include private loans or less than  
31 the full amount of loans under federal programs, depending on the practices of the  
32 accredited Maine or non-Maine community college, college or university. Loans are  
33 includable in the financial aid package only if entered into prior to July 1, 2023.

34 **Sec. 2. 36 MRSA §5217-D, sub-§1, ¶E**, as amended by PL 2013, c. 525, §15, is  
35 further amended to read:

36 E. "Qualified employee" means an employee who is employed at least part time and  
37 who is a qualified individual or who would be a qualified individual except that the  
38 employee's associate or bachelor's degree was awarded by an accredited non-Maine  
39 community college, college or university.

40 For tax years beginning on or after January 1, 2016, "qualified employee" means an  
41 employee who is employed at least part time and who is a qualified individual or who  
42 would be a qualified individual except that the employee's associate, bachelor's or  
43 graduate degree was awarded by an accredited non-Maine community college,  
44 college or university.

1           **Sec. 3. 36 MRSA §5217-D, sub-§1, ¶G**, as amended by PL 2015, c. 328, §6, is  
2 further amended to read:

3           G. "Qualified individual" means an individual, including the spouse filing a joint  
4 return with the individual under section 5221, who is eligible for the credit provided  
5 in this section. An individual is eligible for the credit if the individual:

6           (1) Attended and obtained:

7           (a) An associate or bachelor's degree from an accredited Maine community  
8 college, college or university after December 31, 2007 but before January 1,  
9 2016. The individual need not obtain the degree from the institution in which  
10 that individual originally enrolled as long as all course work toward the  
11 degree is performed at an accredited Maine community college, college or  
12 university, except that an individual who transfers to an accredited Maine  
13 community college, college or university after December 31, 2012 but before  
14 January 1, 2016 from outside the State and earned no more than 30 credit  
15 hours of course work toward the degree at an accredited non-Maine  
16 community college, college or university after December 31, 2007 and prior  
17 to the transfer is eligible for the credit if all other eligibility criteria are met.  
18 Program eligibility for such an individual must be determined as if the  
19 commencement of course work at the relevant accredited Maine community  
20 college, college or university was the commencement of course work for the  
21 degree program as a whole. This division does not apply to tax years  
22 beginning after December 31, 2015;

23           (a-1) For tax years beginning on or after January 1, 2016, an associate or  
24 bachelor's degree from an accredited Maine community college, college or  
25 university after December 31, 2007 but before January 1, 2016, regardless of  
26 whether the individual earned credit hours of course work toward the degree  
27 outside the State;

28           (b) An associate or bachelor's degree from an accredited Maine or non-  
29 Maine community college, college or university after December 31, 2015; or

30           (c) A graduate degree from an accredited Maine college or university after  
31 December 31, 2015;

32           (4) During the taxable year, was a resident individual; and

33           (5) Worked during the taxable year:

34           (a) For tax years beginning prior to January 1, 2015, at least part time for an  
35 employer located in this State or, for tax years beginning on or after January  
36 1, 2013, was, during the taxable year, deployed for military service in the  
37 United States Armed Forces, including the National Guard and the Reserves  
38 of the United States Armed Forces; ~~or~~

39           (b) For tax years beginning on or after January 1, 2015, at least part time in  
40 this State for an employer or as a self-employed individual or was, during the  
41 taxable year, deployed for military service in the United States Armed  
42 Forces, including the National Guard and the Reserves of the United States  
43 Armed Forces; or

