

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 330

H.P. 244

House of Representatives, January 31, 2017

**An Act To Provide an Income Tax Credit for Employer
Contributions to Section 529 Qualified Tuition Programs**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative KORNFIELD of Bangor.
Cosponsored by Senator GRATWICK of Penobscot and
Representatives: CARDONE of Bangor, FREY of Bangor, SCHNECK of Bangor.

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

2 **Sec. 1. 36 MRSA §5217-E** is enacted to read:

3 **§5217-E. Employer contributions to qualified tuition programs**

4 **1. Credit allowed.** A taxpayer constituting an employing unit is allowed a credit
5 against the taxes otherwise due under this Part for each taxable year equal to 50% of
6 matching contributions up to \$1,000 per year made by the taxpayer on behalf of an
7 employee to a qualified tuition program established by the employee under Section 529
8 of the Code. For the purposes of this subsection, "employing unit" has the same meaning
9 as in Title 26, section 1043, subsection 10.

10 **2. Limitation.** The amount of the credit under subsection 1 that may be used by a
11 taxpayer for a taxable year may not exceed the amount of tax otherwise due under this
12 Part. Any unused credit may be carried over to the following year or years for a period
13 not to exceed 15 years.

14 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,
15 2018.

16 **SUMMARY**

17 This bill provides an income tax credit to an employer that makes up to \$1,000 in
18 matching contributions on behalf of an employee to a qualified tuition program,
19 sometimes referred to as a college savings program, established by the employee under
20 Section 529 of the federal Internal Revenue Code.