

MAINE STATE LEGISLATURE

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Date: 5/2/17 Minority

L.D. 620
(Filing No. H- 102)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 436, L.D. 620, Bill, "An Act To Restore the Tax Deduction for Contributions to College Savings Accounts"

Amend the bill in section 1 in paragraph PP in the 2nd line (page 1, line 4 in L.D.) by striking out the following: "\$1,000" and inserting the following: '\$250'

Amend the bill by adding after section 1 the following:

'Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides one-time funding to establish a line on both the individual and fiduciary income tax returns for qualified tuition program deductions.

GENERAL FUND	2017-18	2018-19
All Other	\$22,000	\$0
GENERAL FUND TOTAL	\$22,000	\$0

SUMMARY

This amendment reduces the bill's maximum contribution that qualifies for a deduction to \$250 per designated beneficiary. This was the maximum contribution allowed when the deduction was repealed in 2015.

The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



128th MAINE LEGISLATURE

LD 620

LR 1087(02)

An Act To Restore the Tax Deduction for Contributions to College Savings Accounts

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-102)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$276,800	\$264,600	\$266,000	\$275,500
Appropriations/Allocations				
General Fund	\$22,000	\$0	\$0	\$0
Revenue				
General Fund	(\$254,800)	(\$264,600)	(\$266,000)	(\$275,500)
Other Special Revenue Funds	(\$5,200)	(\$5,400)	(\$14,000)	(\$14,500)

Fiscal Detail and Notes

This legislation restores the income tax deduction, up to \$250, to a qualified tuition program established under Section 529 and would result in a loss of General Fund revenue of \$254,800 in fiscal year 2017-18 and \$264,600 in fiscal year 2018-19 and a loss of Local Government Fund revenue of \$5,200 in fiscal year 2017-18 and \$5,400 in fiscal year 2018-19. The bill includes a one-time General Fund appropriation of \$22,000 in fiscal year 2017-18 to the Department of Administrative and Financial Services to establish a line on both the individual and fiduciary income tax returns.