

# MAINE STATE LEGISLATURE

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Date: 6/1/2017

(Filing No. S-178 )

Minority

TAXATION

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STATE OF MAINE  
SENATE  
128TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 372, L.D. 1123, Bill, "An Act To Allow an Income Tax Deduction for Interest Paid on Student Loans"

Amend the bill by inserting 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 funding for one Tax Examiner position and related costs to establish and implement the income tax credit for interest paid on education loans.

GENERAL FUND	2017-18	2018-19
POSITIONS - LEGISLATIVE COUNT	1,000	1,000
Personal Services	\$57,096	\$77,265
All Other	\$16,429	\$4,349
GENERAL FUND TOTAL	\$73,525	\$81,614

SUMMARY

This amendment adds an appropriation to cover the costs of a Tax Examiner position to establish and implement the income tax credit for interest paid on student loans.

FISCAL NOTE REQUIRED

(See attached)



# 128th MAINE LEGISLATURE

LD 1123

LR 2105(02)

## An Act To Allow an Income Tax Deduction for Interest Paid on Student Loans

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-178)  
Committee: Taxation  
Fiscal Note Required: Yes

### Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
<b>Net Cost (Savings)</b>				
General Fund	\$1,641,525	\$1,728,014	\$1,755,932	\$1,834,319
<b>Appropriations/Allocations</b>				
General Fund	\$73,525	\$81,614	\$83,932	\$86,319
<b>Revenue</b>				
General Fund	(\$1,568,000)	(\$1,646,400)	(\$1,672,000)	(\$1,748,000)
Other Special Revenue Funds	(\$32,000)	(\$33,600)	(\$88,000)	(\$92,000)

### Fiscal Detail and Notes

This bill provides an additional income tax credit for interest paid on qualified education loans that exceeds the credit allowed under federal regulations. It would result in a reduction in General Fund revenue of \$1,568,000 in fiscal year 2017-18 and \$1,646,400 in fiscal year 2018-19 and a reduction in Local Government Fund revenue of \$32,000 in fiscal year 2017-18 and \$33,600 in fiscal year 2018-19. The bill includes General Fund appropriations of \$73,525 in fiscal year 2017-18 and \$81,614 in fiscal year 2018-19 to the Department of Administrative and Financial Services for one Tax Examiner position and related costs to establish and implement the income tax credit for interest paid on education loans.