

MAINE STATE LEGISLATURE

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2019
R O P ' S

L.D. 1537

Date: 4/18/18

(Filing No. H-785)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1057,
L.D. 1537, Bill, "An Act To Replace the Educational Opportunity Tax Credit with the
Student Loan Repayment Credit for Maine Residents"

Amend the amendment by striking out all of the first and 2nd paragraphs after the
title (page 1, lines 12 to 15 in amendment) and inserting the following:

'Amend the bill by striking out all of sections 2 and 3 (page 1, lines 8 to 19 in L.D.)
and inserting the following:

'Sec. 2. 20-A MRSA §12541, sub-§8, as enacted by PL 2013, c. 525, §5, is
amended to read:

8. **Qualified employee.** "Qualified employee" has the same meaning as in Title 36,
section 5217-D, subsection 1, paragraph E, except that for tax years beginning on or after
January 1, 2019, "qualified employee" has the same meaning as in Title 36, section
5217-E, subsection 1, paragraph G.

Sec. 3. 20-A MRSA §12541, sub-§9, as enacted by PL 2013, c. 525, §6, is
amended to read:

9. **Qualified individual.** "Qualified individual" has the same meaning as in Title 36,
section 5217-D, subsection 1, paragraph G, except that for tax years beginning on or after
January 1, 2019, "qualified individual" has the same meaning as in Title 36, section
5217-E, subsection 1, paragraph H.'

Amend the amendment on page 3 by inserting after the 3rd indented paragraph the
following:

'Amend the bill in section 5 in §5217-E in subsection 1 in paragraph D in the 7th line
(page 2, line 9 in L.D.) by inserting after the following: "portion of the" the following:
'education'

Amend the amendment on page 3 by inserting after division (c) the following:

'Amend the bill in section 5 in §5217-E in subsection 2 by striking out all of
paragraphs A and B (page 3, lines 19 to 28 in L.D.) and inserting the following:

'A. A taxpayer may claim a credit based on loan payments actually made to a
relevant lender or lenders under this section only with respect to eligible education

1 loan payment amounts paid by the taxpayer during that part of the taxable year that
2 the qualified individual worked in this State. Forbearance or deferment of loan
3 payments does not affect eligibility for the credit under this section. An individual
4 who worked in this State for any part of a month of the taxable year is considered to
5 have worked in this State for the entire month.

6 B. The credit under this section may not reduce the tax otherwise due under this Part
7 to less than zero except that, until the tax year beginning after December 31, 2020,
8 the credit under this section is refundable to the extent the credit is based on eligible
9 education loans for which a refundable credit was obtained under section 5217-D,
10 subsection 3. For tax years beginning on or after January 1, 2021, the credit under
11 this section may not reduce the tax otherwise due under this Part to less than zero.

12 C. A taxpayer entitled to a credit for any taxable year may carry over and apply to
13 tax liability for any one or more of the next succeeding 5 years the portion, as
14 reduced from year to year, of any unused credits.'

15 Amend the amendment on page 3 in the 5th indented paragraph in the last line (page
16 3, line 23 in amendment) by striking out the following: "paragraph B (page 3, lines 34 to
17 36 in L.D.)" and inserting the following: 'paragraphs A and B (page 3, lines 31 to 36 in
18 L.D.)'

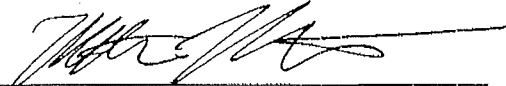
19 Amend the amendment on page 3 by inserting after the 5th indented paragraph the
20 following:

21 'A. The amount paid on eligible education loans during the taxable year; and'

22 **SUMMARY**

23 This amendment provides that the annual credit may include loan amounts paid in
24 excess of the amount due during a taxable year. The amendment also provides that
25 credits in excess of those that may be used during a taxable year may be carried over for
26 the next succeeding 5 years. This amendment also allows for the refundability of the new
27 credit for those loans for which a refundable credit was available under the current credit
28 for educational opportunity, such as loans to obtain an associate's or bachelor's degree in
29 science, technology, engineering or mathematics. The refundability for all loans ends
30 beginning with the tax year beginning January 1, 2021.

31 This amendment also makes technical corrections.

32 **SPONSORED BY:** 

33 (Representative POULIOT)

34 TOWN: Augusta

FISCAL NOTE REQUIRED
(See attached)



128th MAINE LEGISLATURE

LD 1537

LR 726(09)

An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents

Fiscal Note for House Amendment "B" to Committee Amendment "A"

Sponsor: Rep. Pouliot of Augusta

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	\$0	\$0	\$8,075,000	\$10,355,000
Revenue				
General Fund	\$0	\$0	(\$8,075,000)	(\$10,355,000)
Other Special Revenue Funds	\$0	\$0	(\$425,000)	(\$545,000)

Fiscal Detail and Notes

The amendment provides for refundability of credits under the new Student Loan Repayment Credit for Maine Residents for those loans for which a credit was issued under the current credit for educational opportunity. It also provides that any unused credit in any taxable year can be carried forward and used in the succeeding 5 tax years. It would reduce General Fund revenue by \$8,075,000 and reduce Local Government Fund revenue by \$425,000 in fiscal year 2019-20.