

# MAINE STATE LEGISLATURE

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5/1/2018

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L.D. 1537

Date: 4/17/2018

(Filing No. S-478)

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STATE OF MAINE  
SENATE  
128TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "A" 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 in paragraph A in the 4th and 5th lines (page 3, lines 22 and 23 in L.D.) by striking out the following: "Payment of loan amounts in excess of the amounts due during the taxable year does not qualify for the credit."

SENATE AMENDMENT

1 Amend the bill in section 5 in §5217-E in subsection 2 by adding after paragraph B  
2 the following:

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

6 Amend the amendment on page 3 in the 5th indented paragraph in the last line (page  
7 3, line 23 in amendment) by striking out the following: "paragraph B (page 3, lines 34 to  
8 36 in L.D.)" and inserting the following: 'paragraphs A and B (page 3, lines 31 to 36 in  
9 L.D.)'

10 Amend the amendment on page 3 by inserting after the 5th indented paragraph the  
11 following:

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

13 **SUMMARY**

14 This amendment provides that the annual credit may include loan amounts paid in  
15 excess of the amount due during a taxable year. The amendment also provides that  
16 credits in excess of those that may be used during a taxable year may be carried over for  
17 the next succeeding 5 years.

18 This amendment also makes technical corrections.

19 **SPONSORED BY:** \_\_\_\_\_

20 (Senator VOLK)

21 **COUNTY:** Cumberland



# 128th MAINE LEGISLATURE

LD 1537

LR 726(10)

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

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Volk of Cumberland

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	\$0	\$0	\$0	\$2,850,000
<b>Revenue</b>				
General Fund	\$0	\$0	\$0	(\$2,850,000)
Other Special Revenue Funds	\$0	\$0	\$0	(\$150,000)

#### Fiscal Detail and Notes

The amendment provides that under the new Student Loan Repayment Credit for Maine Residents 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 \$2,850,000 and reduce Local Government Fund revenue by \$150,000 in fiscal year 2020-21.