

MAINE STATE LEGISLATURE

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L.D. 1680

Date: 2-20-18

(Filing No. H-601)

TAXATION

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

COMMITTEE AMENDMENT "A" to H.P. 1168, L.D. 1680, Bill, "An Act To Create an Access to Justice Income Tax Credit"

Amend the bill by striking out all of section 2 and inserting the following:

'Sec. 2. 36 MRSA §5219-RR is enacted to read:

§5219-RR. Access to justice credit

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Court" means the Supreme Judicial Court or its designee.

B. "Eligible attorney" means a person eligible to practice law in the State under Title 4, chapter 17 who, after January 1, 2019:

(1) Agrees to practice law in a private practice setting for at least 5 years by joining an existing legal practice, establishing a new legal practice or purchasing an existing legal practice in an underserved area;

(2) Is rostered by the Maine Commission on Indigent Legal Services to accept court appointments to represent clients in an underserved area;

(3) Agrees to perform pro bono legal services in an underserved area; and

(4) Is certified by the court under subsection 3 to be eligible for the credit under this section.

C. "Underserved area" means an area in the State that is determined by the court to be an area where there is insufficient access to legal services. When identifying underserved areas, the court shall take into consideration the ratio of the number of attorneys to the population.

2. Credit. An eligible attorney is allowed a credit for each taxable year, not to exceed \$6,000, against the taxes due under this Part. The credit may be claimed in the

COMMITTEE AMENDMENT

R O F S

1 first year that the eligible attorney meets the conditions of eligibility for at least 6 months
2 and in each of the 4 subsequent years.

3 **3. Eligibility limitation; certification.** The court may certify up to 5 eligible
4 attorneys in each year in 2019 through 2024. Additional attorneys may not be certified
5 after 2024. The court shall annually, at year-end, verify that certified attorneys continue
6 to be eligible for the credit under this section and shall decertify any attorney who ceases
7 to meet the conditions of eligibility. The court shall notify the bureau whenever an
8 attorney is certified or decertified. A decertified attorney ceases to be eligible for the
9 credit under this section beginning with the tax year during which the attorney is
10 decertified.

11 **4. Rules.** The court shall adopt rules to implement this section.

12 **5. Report; review.** By February 15, 2024, the State Tax Assessor shall submit to the
13 joint standing committee of the Legislature having jurisdiction over taxation matters a
14 report that identifies the number of eligible attorneys claiming the credit under this
15 section each year in which the credit is available and identifies the underserved areas
16 where those attorneys practice. The committee shall review the report and determine the
17 effectiveness of the credit in expanding legal services to underserved areas. The
18 committee may submit legislation to the Second Regular Session of the 131st Legislature
19 related to the report.

20 **Sec. 3. Application.** This Act applies to tax years beginning on or after January 1,
21 2019.'

22 **SUMMARY**

23 This amendment changes the entity determining and verifying eligibility for the
24 access to justice credit proposed in the bill from the Board of Overseers of the Bar to the
25 Supreme Judicial Court. It also reduces the maximum annual credit from \$12,000 to
26 \$6,000, adds requirements that an eligible attorney must be rostered by the Maine
27 Commission on Indigent Legal Services to accept court appointments and agree to
28 perform pro bono legal services and clarifies the definition of "underserved area." The
29 amendment also adds an application date.

FISCAL NOTE REQUIRED
(See attached)



128th MAINE LEGISLATURE

LD 1680

LR 2691(02)

An Act To Create an Access to Justice Income Tax Credit

Fiscal Note for Bill as Amended by Committee Amendment *A(H-601)*

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	\$0	\$0	\$23,750	\$52,250
Revenue				
General Fund	\$0	\$0	(\$23,750)	(\$52,250)
Other Special Revenue Funds	\$0	\$0	(\$1,250)	(\$2,750)

Fiscal Detail and Notes

The bill provides an income tax credit for 5 years for attorneys who practice in underserved areas. It would reduce General Fund and Local Government Fund revenue beginning in fiscal year 2019-20.

Additional costs to the Department of Administrative and Financial Services associated with submitting the report can be absorbed within existing budgeted resources.