

MAINE STATE LEGISLATURE

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Date: 5/3/21

(Filing No. S- 71)

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**MINORITY
TAXATION**

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STATE OF MAINE

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SENATE

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130TH LEGISLATURE

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FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT " A " to S.P. 72, L.D. 168, "An Act To Provide a Tax Break for Businesses That Employ People with Disabilities"

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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'Sec. 1. 36 MRSA §5216-E is enacted to read:

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§5216-E. Credit for employment of certain individuals with disabilities

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An employer that employs an individual with a disability in the State and that has received a certificate from the Wage and Hour Division of the federal Department of Labor pursuant to 29 United States Code, Section 214(c) that, in the absence of Public Law 2019, chapter 632, would permit the employer to pay the employee a subminimum wage is entitled to a credit against tax otherwise imposed under this Part. The credit is equal to the difference between the authorized subminimum wage that would have been permitted under a state and federal certificate and the wage actually paid to the employee.

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Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2022.'

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

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This amendment replaces the bill. It creates an income tax credit for employers that have a federal certificate permitting the payment of a subminimum wage to an employee with a disability. The credit is equal to the difference between the authorized subminimum wage that would have been permitted under a state and federal certificate pursuant to previous Maine law and the wage actually paid to the employee.

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FISCAL NOTE REQUIRED

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(See attached)



130th MAINE LEGISLATURE

LD 168

LR 538(02)

An Act To Provide a Tax Break for Businesses That Employ People with Disabilities

Fiscal Note for Bill as Amended by Committee Amendment "A" (5-71)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

No certificates allowing a subminimum wage exist

Fiscal Detail and Notes

Maine law prevents the payment of a subminimum wage. The Maine Department of Labor has indicated that it is very unlikely that the Federal Department of Labor would undertake the certification process to create exemptions which give federal authority to pay subminimum wages knowing that employers in Maine cannot pay such wages. Part of certification process involves a very complex time study that needs to be performed every six months and determine the subminimum wage. The study is based on each separate employee, even if they perform the same job. The wage is based on the employee's skill level and abilities. Two individuals performing the same job can be paid two different wages.