

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION
January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION
April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1998

SECOND SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 9, 1998

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1997

used in this subsection, unless the context otherwise indicates, an "eligible business" means a business located in the State that:

- (1) Is a manufacturer;
- (2) Is engaged in the development or application of advanced technologies;
- (3) Provides a service that is sold or rendered, or is projected to be sold or rendered, predominantly outside of the State; or
- (4) Brings capital into the State, as determined by the authority.

C. Aggregate investment eligible for tax credits may not be more than ~~\$600,000~~ \$1,000,000 for any one private venture capital fund as of the date of issuance of a tax credit certificate.

D. The investment with respect to which any individual is applying for a tax credit certificate may not be more than an aggregate of ~~\$100,000~~ \$200,000 in any one private venture capital fund in any 3 consecutive calendar years, except that this paragraph does not limit other investment by any applicant for which that applicant is not applying for a tax credit certificate.

E. Each business receiving an investment from a private venture capital fund, which investment is used as the basis for the issuance of a tax credit certificate, must have annual gross sales of \$2,000,000 or less and the operation of the business must be the full-time professional activity of the principal owner, as determined by the authority. The principal owner and principal owner's spouse are not eligible for a credit for investment in that business or the private venture capital fund. A tax credit certificate may not be issued to a parent, brother, sister or child of a principal owner if the parent, brother, sister or child has any existing ownership interest in ~~the~~ that business or in the private venture capital fund.

F. Each investment received by a business from a private venture capital fund, which investment is used as the basis for the issuance of a tax credit certificate, must be expended on plant maintenance and construction, equipment, research and development or working capital for the business or on such other business activity as may be approved by the authority.

G. The authority shall establish limits on repayment of the investment by an individual in and the investments made by a private venture capital fund, which investment is used as the basis for

the issuance of a tax credit certificate. The investments must be at risk in the private venture capital fund and the business, respectively.

H. The investors qualifying for the credit must collectively own less than 1/2 of the private venture capital fund and less than 1/2 of any business in which an investment is made by the private venture capital fund, which investment is used as the basis for the issuance of a tax credit.

See title page for effective date.

CHAPTER 775

S.P. 696 - L.D. 1931

An Act to Create Incentives for Employers to Contribute toward the Costs of Comprehensive Health Insurance for Families

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §5219-O is enacted to read:

§5219-O. Credit for dependent health benefits paid

1. Credit allowed. A taxpayer constituting an employing unit that employs fewer than 5 low-income employees is allowed a credit to be computed as provided in this section against the tax imposed by this Part, subject to the limitations contained in subsections 3 and 4. The credit equals the lesser of 20% of dependent health benefits paid under a health benefit plan during the taxable year for which the credit is allowed or \$125 per employee. A taxpayer who received a credit under this section in the preceding year and whose number of low-income employees is 5 or more may continue to receive the credit for 2 years after the last year in which the number of low-income employees was fewer than 5.

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

A. "Dependent" means a dependent, as defined by Section 152 of the Code, who is under 19 years of age.

B. "Dependent health benefits" means health benefits and health insurance costs allowable as deductions to the employer under Section 105 of the Code, paid by the taxpayer on behalf of the taxpayer's low-income employees for the benefit of the employees' dependents.

C. "Employing unit" has the same meaning as in Title 26, section 1043.

D. "Health benefit plan" means a plan that:

(1) Includes comprehensive coverage for at least the following range of benefits:

(a) Inpatient and outpatient hospital services;

(b) Physicians' surgical and medical services;

(c) Laboratory and x-ray services; and

(d) Well-baby and well-child care, including age-appropriate immunizations;

(2) Affords coverage that has an actuarial value no less than 80% of the actuarial value of coverage that is provided to employees of the State. For purposes of this paragraph, "actuarial value" means the expected cost of a benefit based on assumptions as to relevant variables such as morbidity, mortality, persistency and interest. When comparing the actuarial value of one benefit or package of benefits to another, both actuarial values must be based on the same assumptions;

(3) Imposes copayment and deductible costs on the employee that do not exceed 10% of the actuarial value of all benefits afforded by the plan; and

(4) Makes the same or comparable coverage available for the benefit of the employee's dependent children who are under 19 years of age.

E. "Low-income employee" means a Maine resident whose average weekly earnings from the taxpayer do not exceed the State's average weekly wage as calculated by the Department of Labor.

3. Qualifications. A taxpayer may claim the credit allowed by this section only for those periods during which the following conditions are met:

A. The taxpayer maintains a health benefit plan that is available to all of the taxpayer's low-income employees who have been employed for 30 days or more on a schedule that exceeds either 25 hours per week or 1000 hours per year;

B. The taxpayer pays at least 80% of the cost of health insurance coverage for each low-income employee who is under the health benefit plan;

C. The taxpayer pays at least 60% of the cost of dependent health benefits for children under 19 years of age who are covered under the health benefit plan and who are dependents of a low-income employee; and

D. The taxpayer submits documentation from the insurer of the portion of the cost of benefits attributable to coverage of dependents that qualifies for a credit under this section.

4. Limitations; carry-over. The amount of the credit that may be used by a taxpayer for a taxable year may not exceed 50% of the state income tax otherwise due under this Part for that year. The unused portion of any credit may be carried over to the following year or years for a period not to exceed 2 years. The credit allowable under this section may not be carried back to prior years.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 1999.

See title page for effective date.

CHAPTER 776

H.P. 1385 - L.D. 1939

An Act to Amend Certain Motor Vehicle Laws

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 23 MRSA §1117 is enacted to read:

§1117. Adopt-A-Highway Program

The Commissioner of Transportation shall adopt rules to establish the Adopt-A-Highway Program that permit business organizations and nonprofit community organizations to participate in litter control and beautification activities on all state highways. Notwithstanding any other provision of law, the rules adopted by the commissioner may permit the erection of signs to identify participating organizations, as long as the rules establish permissible dimensions for the sign. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A. The State, municipalities, the Maine Turnpike Authority and their employees are not liable to any person for damages arising out of any activities resulting from an Adopt-A-Highway Program.