

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



PAUL R. LEPAGE
GOVERNOR

STATE OF MAINE
MAINE REVENUE SERVICES
24 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0024

ADMINISTRATIVE & FINANCIAL SERVICES

H. SAWIN MILLETT, JR.
COMMISSIONER

MAINE REVENUE SERVICES

JEROME D. GERARD
ACTING EXECUTIVE DIRECTOR

February 16, 2011

Senator Brian D. Langley
Representative David E. Richardson
Joint Standing Committee on Education and Cultural Affairs
100 State House Station
Augusta, ME 04333

Dear Co-Chairs:

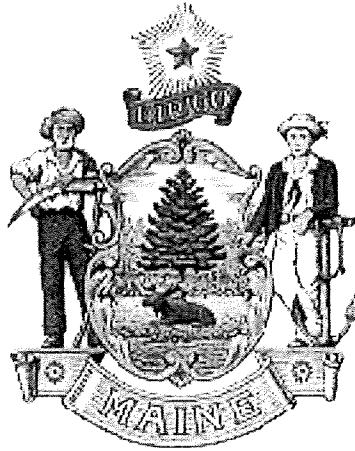
Pursuant to PL 2009, c. 553, Sec. A-18, I have enclosed herewith the report regarding the income tax benefits provided by the Job Creation Through Educational Opportunity Program. Please feel free to contact me if you have any questions about this report.

Sincerely,

A handwritten signature in cursive script that reads "Jerome D. Gerard".

Jerome D. Gerard

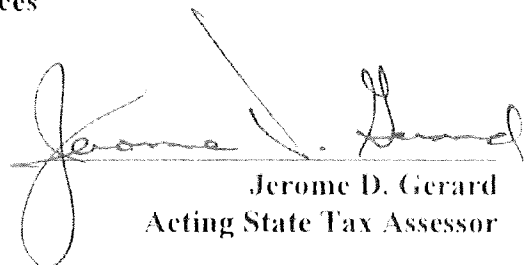
cc: Members of the Joint Standing Committee on Education and Cultural Affairs
Commissioner, DAFS



Job Creation Through Educational Opportunity Program

**A Report Prepared for the
Joint Standing Committee on Education and Cultural Affairs
Pursuant to PL 2009, c. 553, Sec. A-18**

**Department of Administrative and Financial Services
Maine Revenue Services**



**Jerome D. Gerard
Acting State Tax Assessor**

February 16, 2011

As provided in PL 2009, c. 553, Sec. A-18, the State Tax Assessor "...shall report on implementation of the [Job Creation Through Educational Opportunity] program to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs by March 1, 2011 and March 1, 2012." Additionally, the Department of Education must, by the same dates, convey data received from accredited Maine community colleges, colleges and universities as defined in 20-A MRSA §12541, sub-§1 on their efforts to promote and enroll individuals in the Job Creation Through Educational Opportunity Program and training provided to admissions and financial aid staff about the program.

This report is limited to the requirement imposed on the State Tax Assessor with respect to income tax benefits provided by the Job Creation Through Educational Opportunity Program.

Certain loan payments exempt from Maine Income Tax

PL 2009, c. 553, Sec. B-1 (LD 1296)

36 MRSA §5122, sub-§2, ¶FF exempts from Maine income tax student loan payments made by the qualified taxpayer's employer that are included in the taxpayer's federal adjusted gross income for tax years beginning on or after January 1, 2010.

A subtraction modification and applicable instructions have been added to the 2010 individual income tax long form for taxpayers who have loan payments made by employers that are included in federal adjusted gross income. See Form 1040ME, Schedule 1, line 2k. The forms and instructions are available to taxpayers in print or on the web at www.maine.gov/revenue/forms.

At the time of this report, no statistical data is available from individual income tax returns filed for tax year 2010. There is, therefore, no information available with respect to this income subtraction modification.

Credit for Educational Opportunity

PL 2007, c. 469 (LD 1856)

PL 2009, c. 553 (LD 1296)

The Credit for Educational Opportunity (**36 MRSA §5217-D**) is available to qualified taxpayers and employers making eligible education loan payments on behalf of qualifying graduates for tax years beginning after 2007. The credit is based on the actual loan payments made by the taxpayer during the tax year. The credit is nonrefundable. Unused credits may be carried over for up to 10 tax years. If eligible, both spouses on a married-joint return may claim the credit.

The credit is claimed by individuals (including individuals who are owners of eligible pass-through entity employers) on Form 1040ME, Schedule A, line 10. For corporations (including corporations who are owners of eligible pass-through entity employers), the credit is claimed on Form 1120ME, Schedule C, line 29I. Worksheets to calculate the credit are available to individuals and employers either in print upon request or on the Maine Revenue Services web site at www.maine.gov/revenue/forms.

Statistics:

Individual Income Taxpayers (includes credits via pass-through entities)

<u>Tax Year</u>	<u># Maine Taxpayers</u>	<u># Credits Claimed</u>	<u>\$ Deducted</u>
2008	663,492	15	\$7,333.00 (through 01.31.11)
2009	636,237	46	\$6,021.00 (through 01.31.11)
2010	data not yet available		

Approximately 14,000 Maine corporate returns are filed annually; however, to date, none have contained a claim for the Credit for Educational Opportunity.