

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
125<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON TAXATION**

June 2012

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# STATE OF MAINE

125<sup>TH</sup> LEGISLATURE  
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## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 125<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

<i>CARRIED OVER</i> .....	<i>carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i> .....	<i>chapter # of constitutional resolution passed by both houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; legislation died</i>
<i>DIED BETWEEN HOUSES</i> .....	<i>House &amp; Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i> .....	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i> .....	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i> .....	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i> .....	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i> .....	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i> .....	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i> .....	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&amp;S XXX</i> .....	<i>chapter # of enacted private &amp; special law</i>
<i>PUBLIC XXX</i> .....	<i>chapter # of enacted public Law</i>
<i>RESOLVE XXX</i> .....	<i>chapter # of finally passed resolve</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125<sup>th</sup> Legislature is Thursday, August 30, 2012. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

*Joint Standing Committee on Taxation*

**LD 835**

**An Act To Strengthen Maine's Economy through Improvements to the Educational Opportunity Tax Credit**

**PUBLIC 665**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT SNOWE-MELLO	OTP-AM A OTP-AM B ONTP C	H-703 H-814 KESCHL H-844 DAMON

This bill was carried over from the First Regular Session of the 125th Legislature.

This bill amends the educational opportunity tax credit by removing restrictions on the term of eligible loans and by making the tax credit refundable.

**Committee Amendment "B" (H-703)**

This amendment, which is the majority report, replaces the bill and makes the following changes to the educational opportunity tax credit.

1. Beginning January 1, 2013, it allows an individual who transfers to an accredited Maine community college, college or university after completing up to 30 credit hours of course work at a non-Maine accredited community college, college or university to be eligible for a portion of the tax credit created to implement the Job Creation Through Educational Opportunity Program.
2. It provides that an individual may claim the educational opportunity tax credit only with respect to loans that are part of that individual's financial aid package and that are entered into before July 1, 2023.
3. It makes the credit refundable for a Job Creation Through Educational Opportunity Program participant entitled to the credit.
4. It allows an employer to claim the credit if a qualified employee meets all eligibility criteria for a Job Creation Through Educational Opportunity Program participant except that the qualified employee's associate degree or bachelor's degree was awarded by an accredited non-Maine community college, college or university.
5. It requires all Maine community colleges, colleges and universities to report to the Department of Education by February 1, 2021 on efforts to promote and enroll individuals in the Job Creation Through Educational Opportunity Program and to train admissions and financial aid staff about the program.
6. It requires the Department of Education and the Department of Administrative and Financial Services, Bureau of Revenue Services to report by March 1, 2021 to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs and the joint standing committee of the Legislature having jurisdiction over taxation matters.
7. It requires the joint standing committee of the Legislature having jurisdiction over taxation matters to review the educational opportunity tax credit by June 1, 2021. The committee is required to consider information provided by the Department of Administrative and Financial Services, Bureau of Revenue Services and the Department of Education to determine whether the credit should be retained, modified or repealed.

**Committee Amendment "C" (H-704)**

## *Joint Standing Committee on Taxation*

This amendment, which is a minority report, is exactly the same as the majority report except the credit is not refundable. This amendment was not adopted.

### **House Amendment "A" To Committee Amendment "B" (H-814)**

This amendment makes the education opportunity tax credit refundable for program participants who obtain an associate degree or bachelor's degree in science, technology, engineering or mathematics.

### **House Amendment "B" To Committee Amendment "B" (H-844)**

This amendment allows an individual who is domiciled in Maine but who is deployed for military service to be eligible for the educational opportunity tax credit as long as all the other qualifications are met.

### **Enacted Law Summary**

Public Law 2011, chapter 665 makes the following changes to the tax credit created to implement the Job Creation Through Educational Opportunity Program.

1. Beginning January 1, 2013, it allows an individual who transfers to an accredited Maine community college, college or university after completing up to 30 credit hours of course work at a non-Maine accredited community college, college or university to be eligible for a portion of the tax credit.
2. It allows an individual who is domiciled in Maine but who is deployed for military service to be eligible for the credit.
3. It makes the credit refundable for a participant entitled to the credit who obtains a degree in science, technology, engineering or mathematics.
4. It allows an employer to claim the tax credit if a qualified employee meets all eligibility criteria except that the employee's degree was awarded by an accredited non-Maine community college, college or university.
5. It provides a sunset date by requiring that the tax credit applies to loans that are part of the eligible individual's financial aid package entered into before July 1, 2023.
6. It requires all Maine community colleges, colleges and universities to report to the Department of Education by February 1, 2021 on efforts to promote and enroll individuals in the Job Creation Through Educational Opportunity Program and to train admissions and financial aid staff about the program.
7. It requires the Department of Education and the Department of Administrative and Financial Services, Bureau of Revenue Services to report to the Joint Standing Committee on Education and Cultural Affairs and the Joint Standing Committee on Taxation by March 1, 2021.
8. It requires the Joint Standing Committee on Taxation to review the educational opportunity tax credit by June 1, 2021, and consider information provided by the Department of Administrative and Financial Services, Bureau of Revenue Services and the Department of Education to determine whether the credit should be retained, modified or repealed.