

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Provide an Income Tax Credit for Donations to Maine Public Schools**

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

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

### **§ 5219-BB. Credit for donation to public schools**

**1. Credit allowed.** A credit is allowed in the amount of 30% of the value of a donation to a school operated by a school administrative unit as defined in Title 20-A, section 1, subsection 26, for the purpose of supporting academic programs and services as defined by the Department of Education. The credit may not reduce the tax otherwise due under this Part to less than zero.

**2. Eligible donations.** The Department of Education shall adopt routine technical rules under Title 5, chapter 375, subchapter 2-A that define donations for the purpose of supporting academic programs and services that are eligible for the credit under this section.

**3. Impact on education funding.** Forty percent of the total amount of donations made to a school that are eligible for a credit under this section may not be used to reduce the amount of state funding to the school administrative unit under Title 20-A.

**Sec. 2. Application.** This Act applies to tax years beginning on or after January 1, 2007.

## **SUMMARY**

This bill provides an income tax credit for 30% of eligible donations to a public school for the purpose of supporting academic programs and services. The Department of Education is required to define eligible donations. Forty percent of eligible donations to the school may not be used to reduce state funding to the school administrative unit receiving the donation.