



# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 624

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H.P. 443

House of Representatives, February 21, 2013

### **An Act To Encourage Local Business Involvement in Local Schools**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative McCLELLAN of Raymond.  
Cosponsored by Representatives: TYLER of Windham, WILSON of Augusta.

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

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

3 **§5219-II. Employer adopt-a-school tax credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
5 following terms have the following meanings.

6 A. "Qualified adopt-a-school activity" means an activity that benefits a qualified  
7 school, including, but not limited to, contributing cash; donating supplies, equipment  
8 or other tangible property; providing services to a student at a qualified school at no  
9 profit to the qualified employer; providing employees of the qualified employer with  
10 paid time off to volunteer at a qualified school; and providing an internship for a  
11 student enrolled in a qualified school.

12 B. "Qualified employer" means an employing unit, as defined in Title 26, section  
13 1043, subsection 10, located in the State that engages in a qualified adopt-a-school  
14 activity.

15 C. "Qualified school" means a public elementary or secondary school located in the  
16 same county as or within 25 miles of the qualified employer.

17 **2. Credit allowed.** A qualified employer is allowed a credit, not to exceed the  
18 limitation in subsection 3, against the tax imposed by this Part in an amount equal to the  
19 cost of all qualified adopt-a-school activities provided by the qualified employer in the  
20 course of a calendar year.

21 **3. Limitations.** The amount of the credit allowed under this section for any one  
22 taxable year may not exceed 50% of the tax imposed by this Part on the qualified  
23 employer for the taxable year before application of the credit. The credit may not reduce  
24 the tax otherwise due under this Part to less than zero.

25 **4. Carry forward.** Credits not taken because of the limitation in subsection 3 must  
26 be taken in the next taxable year in which the credit may be taken, but the limitation of  
27 subsection 3 also applies to the carry-forward years. In no case may this carry-forward  
28 period exceed 15 years.

29 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,  
30 2013.

31 **SUMMARY**

32 This bill provides a nonrefundable income tax credit to a qualified employer equal to  
33 the amount expended on a qualified adopt-a-school activity that benefits a public  
34 elementary or secondary school. The credit may not exceed 50% of the tax liability of  
35 the qualified employer for the taxable year before application of the credit. A qualified  
36 adopt-a-school activity includes contributing cash; donating supplies, equipment or other  
37 tangible property; providing services to a student at a qualified school at no profit to the  
38 qualified employer; providing employees of the qualified employer with paid time off to

1 volunteer at a qualified school; and providing an internship for a student enrolled in a  
2 qualified school.