



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 835

H.P. 632

House of Representatives, March 3, 2011

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

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senator SNOWE-MELLO of Androscoggin and
Representatives: AYOTTE of Caswell, BERRY of Bowdoinham, CHAPMAN of Brooksville,
CURTIS of Madison, O'BRIEN of Lincolnville, RUSSELL of Portland, SOCTOMAH of the
Passamaquoddy Tribe, Senator: HASTINGS of Oxford.

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

2 **Sec. 1. 20-A MRSA §12542, sub-§3-A, ¶A,** as enacted by PL 2009, c. 553, Pt.
3 A, §11, is amended to read:

4 A. The individual may claim the educational opportunity tax credit only with respect
5 to loans that are part of that individual's financial aid package ~~and that have a term of~~
6 ~~at least 8 years.~~

7 **Sec. 2. 36 MRSA §5217-D, sub-§2,** as enacted by PL 2007, c. 469, Pt. B, §1, is
8 amended to read:

9 **2. Credit allowed.** A taxpayer constituting an opportunity program participant or an
10 employer of a qualified employee is allowed a credit against the tax imposed by this Part
11 for each taxable year under the terms established in this section. The credit is created to
12 implement the Job Creation Through Educational Opportunity Program established under
13 Title 20-A, chapter 428-C.

14 ~~The credit may not reduce the tax otherwise due under this Part to less than zero. The~~
15 ~~credit allowed by this section may result in a refund.~~ A taxpayer entitled to the credit for
16 any taxable year may carry over and apply to the tax liability for any one or more of the
17 next succeeding 10 years the portion, as reduced from year to year, of any unused credits.
18 More than one taxpayer may claim a credit based on loan payments actually made to a
19 relevant lender or lenders to benefit a single opportunity program participant, but no 2
20 taxpayers may claim the credit based on the same payment.

21 **SUMMARY**

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