



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1092

S.P. 325

In Senate, March 15, 2011

An Act To Allow a Tax Credit for Tuition Paid to Private Schools

Reference to the Committee on Taxation suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator SHERMAN of Aroostook.
Cosponsored by Representative: AYOTTE of Caswell.

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

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

3 **§5219-FF. Private school tuition credit**

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

6 A. "Dependent" means a dependent as defined by Section 152 of the Code.

7 B. "Private school" means a private academy, seminary, institute or other private
8 corporation or body formed for educational purposes covering prekindergarten to
9 grade 12, or any portion thereof, that is recognized by the Commissioner of
10 Education as a private school for the period during which the credit allowed under
11 this section is claimed.

12 **2. Credit allowed.** A resident individual is allowed a credit against the tax
13 otherwise due under this Part of up to \$2,500 for total tuition paid by the resident
14 individual to a private school for the resident individual or the resident individual's
15 dependent during the taxable year.

16 **3. Nonresident taxpayer.** A nonresident individual is allowed a credit against the
17 tax otherwise due under this Part in the amount of the tax credit allowed under subsection
18 2 multiplied by the ratio of the individual's Maine adjusted gross income, as defined in
19 section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted
20 gross income, as modified by section 5122.

21 **4. Part-year resident taxpayer.** An individual who files a return as a part-year
22 resident in accordance with section 5224-A is allowed a credit against the tax otherwise
23 due under this Part in the amount of the tax credit allowed under subsection 2 multiplied
24 by a ratio, the numerator of which is the individual's Maine adjusted gross income as
25 defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year
26 during which the individual was a resident plus the individual's Maine adjusted gross
27 income as defined in section 5102, subsection 1-C, paragraph B for that portion of the
28 taxable year during which the individual was a nonresident and the denominator of which
29 is the individual's entire federal adjusted gross income, as modified by section 5122.

30 **5. Limitation; carry-over.** The credit under this section may not reduce the tax
31 otherwise due under this Part to less than zero. An individual entitled to a credit under
32 this section for any taxable year may carry over and apply to the tax liability for any one
33 or more of the next succeeding 5 taxable years the portion, as reduced from year to year,
34 of any unused credit.

35 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,
36 2011.

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SUMMARY

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This bill provides for an income tax credit of up to \$2,500 for tuition paid to a private

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school for prekindergarten to grade 12 for a taxpayer or a dependent of the taxpayer.