

## 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

**Legislative Document** 

No. 330

H.P. 244

House of Representatives, January 31, 2017

An Act To Provide an Income Tax Credit for Employer Contributions to Section 529 Qualified Tuition Programs

Reference to the Committee on Taxation suggested and ordered printed.

ROBERT B. HUNT Clerk

R(+ B. Hunt

Presented by Representative KORNFIELD of Bangor. Cosponsored by Senator GRATWICK of Penobscot and

Representatives: CARDONE of Bangor, FREY of Bangor, SCHNECK of Bangor.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 36 MRSA §5217-E is enacted to read:
3	§5217-E. Employer contributions to qualified tuition programs
4 5 6 7 8 9	1. Credit allowed. A taxpayer constituting an employing unit is allowed a credit against the taxes otherwise due under this Part for each taxable year equal to 50% of matching contributions up to \$1,000 per year made by the taxpayer on behalf of an employee to a qualified tuition program established by the employee under Section 529 of the Code. For the purposes of this subsection, "employing unit" has the same meaning as in Title 26, section 1043, subsection 10.
10 11 12 13	2. Limitation. The amount of the credit under subsection 1 that may be used by a taxpayer for a taxable year may not exceed the amount of tax otherwise due under this Part. Any unused credit may be carried over to the following year or years for a period not to exceed 15 years.
14 15	<b>Sec. 2. Application.</b> This Act applies to tax years beginning on or after January 1, 2018.
16	SUMMARY
17 18 19 20	This bill provides an income tax credit to an employer that makes up to \$1,000 in matching contributions on behalf of an employee to a qualified tuition program, sometimes referred to as a college savings program, established by the employee under Section 529 of the federal Internal Revenue Code.