

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: May 6, 2013

To: Members, Joint Standing Committee on Taxation

From: Elizabeth Cooper, Legislative Analyst

LD 1099, An Act To Provide an Internship Employment Tax Credit

Summary: This bill creates a tax credit for employers that employ qualified interns. The employer is entitled to a nonrefundable credit equal to 10% of the wages, stipend or salary paid to the intern and may not receive more than \$3,000 in total credits for all taxable years combined. The credit applies to the wages, stipend or salary of no more than 5 interns employed at the same time.

Public Hearing:

Proponents

- The sponsor presented the bill testifying that it provides an incentive for employers to hire interns and includes a review of the credit by the Legislature.
- Those testifying in favor of the bill included a representative of the Maine State Chamber of Commerce.

Opposed - none

NFNA- none

Issues: Should the Committee choose to move forward with this bill, members should consider technical changes needed to clarify the tax year for which the credit may be claimed and whether there should be a limit on the number of interns since there is a \$3,000 cap.

Similar Legislation: LD 1336

Fiscal Information: The preliminary fiscal impact statement is on the back and can be found online at: www.mainelegislature.org/LawMakerWeb/search.asp.