

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Establish a Wellness Tax Credit

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

Sec. 1. 36 MRSA §5219-BB is enacted to read:

§ 5219-BB. Credit for wellness programs

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

A. "Employing unit" has the same meaning as in Title 26, section 1043.

B. "Qualified wellness program expenditure" means expenses by an employing unit to develop, institute and maintain a wellness program.

C. "Wellness program" means a program instituted by an employing unit that improves employee health, morale and productivity, including, without limitation:

(1) Health education programs;

(2) Behavioral change programs such as counseling or seminars or classes on nutrition, stress management or smoking cessation;

(3) Time during the work day for exercise;

(4) Equipping, operating and maintaining a facility owned by the employing unit for use by its employees for exercise;

(5) Equipping and registering an athletic team that is composed solely of employees or dependants of employees who are members of the employing unit's health care plan;

(6) Membership, either individual or group, to a health club or gym; and

(7) Incentive awards to employees who engage in regular physical activity.

2. Credit allowed. A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part for each taxable year beginning on or after January 1, 2009 for a qualified wellness program expenditure made on or after January 1, 2009.

3. Record keeping. An employing unit that makes qualified wellness program expenditures is responsible for recording exercise facility usage or the amount of time employees engage in wellness programs for which the employing unit is claiming an expense.

4. Limit; carry over. The total credit for each taxpayer under this section is limited to \$100 per employee or \$10,000, whichever is less, per tax year. The credit may not reduce the tax otherwise due under this Part to less than zero. A taxpayer entitled to a credit under this section for any taxable year may carry over the portion, as reduced from year to year, of any unused credit and apply it to the tax liability for any one or more of the next succeeding 5 taxable years.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2009.

SUMMARY

This bill provides a tax credit to employers for the expense of developing, instituting and maintaining wellness programs for their employees in the amount of \$100 per employee, up to a maximum of \$10,000. A wellness program includes programs for behavior modification, such as smoking cessation programs, equipping and maintaining an exercise facility and providing incentive awards to employees who exercise regularly.