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An Act To Provide a State Income Tax Credit to Dentists for Military Pensions

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Maine is experiencing a shortage of dentists, especially those who will accept patients enrolled in MaineCare; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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 dentist collecting military pension

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

A. "MaineCare" means the MaineCare program administered under Title 22, chapter 855.

B. "Military retirement plan" means benefits received as a result of service in the active or reserve components of the United States Army, Navy, Air Force, Marines or Coast Guard.

2. Credit allowed. A taxpayer who is a dentist licensed to practice in this State and who is a recipient of military retirement benefits under a military retirement plan is allowed a credit against the tax otherwise due under this Part on those military retirement benefits to the extent included in the taxpayer's federal adjusted gross income.

3. Conditions. A taxpayer may claim the credit under subsection 2 if, for each tax year the taxpayer claims the credit, the taxpayer:

A. Practices dentistry in this State an average of at least 20 hours per week during the applicable tax year; and

B. Accepts patients who receive MaineCare benefits.

4. Limit; carry over. The total credit for each taxpayer under this section 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 and apply to the tax liability for any one or more of the next succeeding 5 taxable years the portion, as reduced from year to year, of any unused credits.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2008.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill provides a tax credit to dentists who are receiving a military pension. The amount of the credit is equal to the amount of the military pension and applies only if the dentist practices an average of 20 hours per week in the State and accepts patients who receive MaineCare benefits.