



128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document

No. 1680

H.P. 1168

House of Representatives, December 20, 2017

An Act To Create an Access to Justice Income Tax Credit

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 18, 2017. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in black ink that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BAILEY of Saco.
Cosponsored by Senator: KEIM of Oxford.

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

2 **Sec. 1. 36 MRSA §191, sub-§2, ¶EEE** is enacted to read:

3 EEE. The disclosure of information required to make the report required under
4 section 5219-RR, subsection 4.

5 **Sec. 2. 36 MRSA §5219-RR** is enacted to read:

6 **§5219-RR. Access to justice credit**

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

9 A. "Board" means the Board of Overseers of the Bar.

10 B. "Eligible attorney" means a person eligible to practice law in the State under Title
11 4, chapter 17 who, after January 1, 2019:

12 (1) First begins the private practice of law in the State by joining an existing
13 legal practice in an underserved area or by establishing a new legal practice or
14 purchasing an existing legal practice in an underserved area;

15 (2) Agrees to practice full time for at least 5 years in an underserved area; and

16 (3) Is certified by the board under subsection 3 to be eligible for the credit under
17 this section.

18 C. "Underserved area" means an area in the State that is determined by the board to
19 be an area where there is insufficient access to legal services.

20 **2. Credit.** An eligible attorney is allowed a credit for each taxable year, not to
21 exceed \$12,000, against the taxes due under this Part. The credit may be claimed in the
22 first year that the eligible attorney meets the conditions of eligibility for at least 6 months
23 and in each of the 4 subsequent years.

24 **3. Eligibility limitation; certification.** The board may certify up to 5 eligible
25 attorneys in each year in 2019 through 2024. Additional attorneys may not be certified
26 after 2024. The board shall monitor certified attorneys to ensure that they continue to be
27 eligible for the credit under this section and shall decertify any attorney who ceases to
28 meet the conditions of eligibility. The board shall notify the bureau whenever an attorney
29 is certified or decertified. A decertified attorney ceases to be eligible for the credit under
30 this section beginning with the tax year during which the attorney is decertified.

31 **4. Report; review.** By February 15, 2024, the State Tax Assessor shall submit to the
32 joint standing committee of the Legislature having jurisdiction over taxation matters a
33 report that identifies the number of eligible attorneys claiming the credit under this
34 section each year in which the credit is available and identifies the underserved areas
35 where those attorneys practice. The committee shall review the report and determine the
36 effectiveness of the credit in expanding legal services to underserved areas. The
37 committee may submit legislation to the Second Regular Session of the 131st Legislature
38 related to the report.

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SUMMARY

This bill provides an income tax credit for 5 years for attorneys who begin the practice of law in the State and agree to practice for at least 5 years in an underserved area of the State as determined by the Board of Overseers of the Bar. Eligibility for the credit is open from 2019 through 2024. The board may certify up to 5 eligible attorneys each year. The joint standing committee of the Legislature having jurisdiction over taxation matters is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.