



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1853

H.P. 1237

House of Representatives, April 30, 2025

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**An Act to Establish an Educational Tax Credit Program to Help  
Parents Pay for Nonpublic School Tuition and Fees**

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative SWALLOW of Houlton.

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

2 **Sec. 1. 20-A MRSA §2, sub-§1**, as enacted by PL 1981, c. 693, §§5 and 8, is  
3 amended to read:

4 **1. State responsibility for public education.** In accordance with the Constitution of  
5 Maine, Article VIII, the Legislature shall enact the laws that are necessary to assure that all  
6 school administrative units make suitable provisions for the support and maintenance of  
7 the public schools and the education of every person within the age limitations prescribed  
8 by state statutes who resides in the school administrative unit. It is the intent of the  
9 Legislature that every person within the age limitations prescribed by state statutes shall be  
10 provided an opportunity to receive the benefits of a ~~free public~~ publicly funded education.

11 **Sec. 2. 20-A MRSA c. 220** is enacted to read:

12 **CHAPTER 220**

13 **EDUCATIONAL TAX CREDIT PROGRAM**

14 **§5901. Establishment**

15 The Educational Tax Credit Program is established to provide a refundable tax credit  
16 to a parent of an eligible student in a nonpublic school.

17 **§5902. Definitions**

18 As used in this chapter, unless the context indicates otherwise, the following terms  
19 have the following meanings.

20 **1. Eligible student.** "Eligible student" means a resident of the State who is eligible to  
21 enroll in an elementary or secondary public school.

22 **2. Nonpublic school.** "Nonpublic school" means an institution of learning, duly  
23 established under the laws of the State, dedicated principally to the education of elementary  
24 or secondary school students but that is not operated by a municipal, county or state entity.

25 **3. Program.** "Program" means the Educational Tax Credit Program established under  
26 section 5901.

27 **4. Tuition and fees.** "Tuition and fees" means those tuition and fee expenses that are  
28 necessary and documented in the enrollment of an eligible student at a nonpublic school.

29 **§5903. Requirements**

30 In order to qualify for the program, a parent of an eligible student shall provide:

31 **1. Receipt.** A receipt in the format provided by the department pursuant to section  
32 5906, subsection 1, paragraph A and completed by the nonpublic school showing the name  
33 of the nonpublic school to which payment was made; the name of the eligible student on  
34 whose behalf the tuition and fees were paid; the amount of tuition and fees paid; the date  
35 on which the tuition and fees were paid; and the school year to which the payment was  
36 applied;

37 **2. Proof of payment.** Proof of the form of payment to the nonpublic school at which  
38 the eligible student is enrolled and that the payment was made personally by a parent; and

1           **3. Proof of matriculation.** Proof of the matriculation of the eligible student at a  
2 nonpublic school in a manner prescribed by the department.

3           **§5904. Enrollment eligibility**

4           A student who enrolls in a nonpublic school after August 1, 2026 is eligible to  
5 participate in the program immediately.

6           A student who is enrolled in a nonpublic school during any portion of the August 1,  
7 2025 to August 1, 2026 school year may not participate in the program until the 2027-2028  
8 school year.

9           **§5905. Tax credit**

10           The parent of an eligible student who qualifies for the program is entitled to a tax credit  
11 pursuant to Title 36, section 5217-G.

12           **§5906. Department duties; powers; rules**

13           **1. Duties.** The department shall:

14           A. Provide a standardized format for a receipt to be issued by a nonpublic school to the  
15 parent of an eligible student for whom tuition and fees have been paid;

16           B. Develop a standard for the detection and investigation of possible fraudulent activity  
17 related to the program at a nonpublic school; and

18           C. By August 1st annually, calculate the average per-pupil cost of education to the  
19 State. The department shall calculate the average per-pupil cost of education by using  
20 costs from the 2 most recently available years for which the costs are known and also  
21 determine what 70% of the average per-pupil cost of education is. By August 15th  
22 annually, the department shall publish the average per-pupil cost of education and the  
23 70% calculated cost on the department's publicly accessible website.

24           **2. Powers.** The department may:

25           A. Conduct either a financial review or an audit of a nonpublic school if the department  
26 has evidence of possible fraudulent activity at the nonpublic school; and

27           B. Bar a nonpublic school from participating in the program if the department  
28 establishes that the nonpublic school has intentionally and substantially failed to  
29 comply with the requirements of this chapter.

30           **3. Rules.** The department may adopt rules to implement this chapter. Rules adopted  
31 pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375,  
32 subchapter 2-A.

33           **Sec. 3. 36 MRSA §5217-G** is enacted to read:

34           **§5217-G. Educational tax credit**

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

37           A. "Eligible student" has the same meaning as in Title 20-A, section 5902, subsection  
38 1.

39           B. "Nonpublic school" has the same meaning as in Title 20-A, section 5902, subsection  
40 2.

