

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

Amend the bill by striking out the title and substituting the following:

'An Act To Enact a New Hire Tax Credit'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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

§ 5219-EE. New hire tax credit

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, subsection 10.

B. "Qualifying person" means a person who, in the month prior to employment with an employing unit, was a recipient of benefits under the ASPIRE-TANF program under Title 22, chapter 1053-B and who is currently employed for at least 20 hours per week on average by the employing unit.

2. Amount of credit. For tax years beginning on or after January 1, 2010, a taxpayer that is an employing unit is allowed a tax credit against the tax otherwise due under this Part equal to 50% of the gross wages paid during the taxable year to a qualifying person during the first 12 continuous months of employment by the taxpayer.

3. Limitation. The tax credit under this section may not exceed \$10,000 for the taxable year and 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 succeeding 2 tax years the portion, as reduced from year to year, of any unused credit amount.

Sec. 2. 36 MRSA §5122, sub-§1, ¶Z, as enacted by PL 2007, c. 539, Pt. CCC, §4, is amended to read:

Z. For income tax years beginning on or after January 1, 2008, the amount of any qualified state and local tax benefit and any qualified payment excluded from gross income pursuant to the Code, Section 139(b); and

Sec. 3. 36 MRSA §5122, sub-§1, ¶AA, as enacted by PL 2007, c. 539, Pt. CCC, §5, is amended to read:

AA. For taxable years beginning on or after January 1, 2008 but prior to January 1, 2010, an amount equal to the net increase in depreciation attributable to the 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 103 of the Economic Stimulus Act of 2008, Public Law 110-185 with respect to property placed in service during the taxable year; and

Sec. 4. 36 MRSA §5122, sub-§1, ¶BB is enacted to read:

BB. An amount equal to the wages deducted in determining federal adjusted gross income that is included in the base for the new hire tax credit under section 5219-EE.

Sec. 5. 36 MRSA §5200-A, sub-§1, ¶T, as amended by PL 2007, c. 700, Pt. B, §2, is further amended to read:

T. For taxable years beginning on or after January 1, 2008 but prior to January 1, 2010, an amount equal to the net increase in depreciation attributable to the 50% bonus depreciation deduction claimed by the taxpayer pursuant to Section 103 of the Economic Stimulus Act of 2008, Public Law 110-185 with respect to property placed in service during the taxable year; and

Sec. 6. 36 MRSA §5200-A, sub-§1, ¶U, as enacted by PL 2007, c. 700, Pt. B, §3, is amended to read:

U. For tax years beginning in 2008, 10% of the absolute value in excess of \$100,000 of any net operating loss that, pursuant to the Code, Section 172, is being carried over for federal income tax purposes to the taxable year by the taxpayer.; and

Sec. 7. 36 MRSA §5200-A, sub-§1, ¶V is enacted to read:

V. An amount equal to the wages deducted in determining federal taxable income that is included in the base for the new hire tax credit under section 5219-EE.

Sec. 8. Application. This Act applies to income tax years beginning on or after January 1, 2010.'

SUMMARY

This amendment is the minority report of the committee. This amendment replaces the bill. It retains from the bill the new hire tax credit for employers that hire persons for at least 20 hours per week, but specifies that for the employer to be eligible the new hire must have been, in the month prior to becoming employed, a recipient of assistance under the ASPIRE-TANF program.