

Date:

(Filing No. H-)

TAXATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to H.P. 1013, L.D. 1555, “An Act to Establish an Employer Tax Credit for Qualifying Child Care Costs”

Amend the bill in section 2 in §5217-G in subsection 2 in the 2nd line (page 1, line 19 in L.D.) by striking out the following: “refundable”

Amend the bill in section 2 in §5217-G in subsection 2 in paragraph A in the 2nd line (page 1, line 22 in L.D.) by striking out the following: “\$8,000” and inserting the following: “\$3,000”

Amend the bill in section 2 in §5217-G in subsection 2 by striking out all of paragraph B (page 1, line 24 in L.D.) and inserting the following:

‘B. Nine thousand dollars per employee.

The maximum credit an employing unit may receive in a single tax year is \$36,000.

An employing unit providing child care services is required to provide child care services of similar type and quality to all employees of the employing unit to qualify for the credit.’

Amend the bill in section 2 in §5217-G in subsection 3 in the last line (page 1, line 26 in L.D.) by striking out the following: “15” and inserting the following: “5”

Amend the bill in section 2 in §5217-G in subsection 4 in the last line (page 1, line 34 in L.D.) by inserting after the following: “State.” the following: “The review must include comparative employee retention and benefits data for participating employing units with 50 or fewer employees both before and after engagement with the child care tax credit program under this section.”

Amend the bill by inserting after section 2 the following:

‘Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides one-time funding for computer programming costs.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$12,844
GENERAL FUND TOTAL	\$0	\$12,844

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment removes the refundability of the tax credit provided in the bill, reduces the number of years the tax credit may be carried forward from 15 to 5 and reduces the per child maximum tax credit from \$8,000 to \$3,000. It removes the \$80,000 tax credit cap for an employer and instead caps an employer's reimbursement at \$9,000 per participating employee. The amendment requires an employer to make the child care program available to any employee in the employment unit in order to qualify for the tax credit. It includes in the legislative review of the tax credit program an evaluation of employee retention and benefits data for participating employers with 50 or fewer employees.

FISCAL NOTE REQUIRED

(See attached)