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Date: (Filing No. H- )

**TAXATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
128TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1057, L.D. 1537, Bill, “An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents”

Amend the bill in section 2 in subsection 8 in the 3rd line (page 1, line 12 in L.D.) by striking out the following: "2017" and inserting the following: '2019'

Amend the bill in section 3 in subsection 9 in the 3rd line (page 1, line 18 in L.D.) by striking out the following: "2017" and inserting the following: '2019'

Amend the bill by inserting after section 3 the following:

**'Sec. 4. 36 MRSA §199-C, sub-§3**, as amended by PL 2015, c. 328, §2, is further amended to read:

**3. Specific tax expenditure review.** By June 1, 2021, the committee shall review the income tax credit under ~~section~~ sections 5217-D and 5217-E to determine whether the credit should be retained, repealed or modified. The committee shall consider information provided by the Office of Tax Policy within the bureau and the Department of Education pursuant to Title 20-A, section 12545.

**Sec. 5. 36 MRSA §2535**, as enacted by PL 2017, c. 211, Pt. C, §1, is amended to read:

**§2535. Credit for educational opportunity**

A taxpayer is allowed a credit against the tax otherwise due under this chapter as determined under section 5217-D or 5217-E.

**Sec. 6. 36 MRSA §5122, sub-§2, ¶FF**, as amended by PL 2013, c. 525, §14, is further amended to read:

FF. To the extent included in federal adjusted gross income, student loan payments made by the taxpayer's employer directly to a lender on behalf of a qualified employee in accordance with section 5217-D or 5217-E, whether or not the employer

**COMMITTEE AMENDMENT**

1 claims, or could claim, the credit provided by section 5217-D, subsection 5 or section  
2 5217-E, subsection 4;

3 **Sec. 7. 36 MRSA §5122, sub-§2, ¶NN**, as amended by PL 2015, c. 388, Pt. A,  
4 §7, is further amended to read:

5 NN. For taxable years beginning on or after January 1, 2015, an amount equal to the  
6 net increase in the depreciation deduction allowable under the Code, Sections 167  
7 and 168 that would have been applicable to that property had the depreciation  
8 deduction under the Code, Section 168(k) not been claimed with respect to such  
9 property placed in service during the taxable year beginning in 2014 for which an  
10 addition was required under subsection 1, paragraph II, subparagraph (2) for the  
11 taxable year beginning in 2014.

12 Upon the taxable disposition of property to which this paragraph applies, the amount  
13 of any gain or loss includable in federal adjusted gross income must be adjusted for  
14 Maine income tax purposes by an amount equal to the difference between the  
15 addition modification for such property under subsection 1, paragraph II,  
16 subparagraph (2) and the subtraction modifications allowed pursuant to this  
17 paragraph.

18 The total amount of subtraction claimed under this paragraph for all tax years may  
19 not exceed the addition modification under subsection 1, paragraph II, subparagraph  
20 (2) for the same property; ~~and~~

21 **Sec. 8. 36 MRSA §5122, sub-§2, ¶OO**, as enacted by PL 2015, c. 388, Pt. A, §8,  
22 is amended to read:

23 OO. For taxable years beginning on or after January 1, 2016, an amount equal to the  
24 net increase in the depreciation deduction allowable under the Code, Sections 167  
25 and 168 that would have been applicable to that property had the depreciation  
26 deduction under the Code, Section 168(k) not been claimed with respect to such  
27 property placed in service during the taxable year for which an addition was required  
28 under subsection 1, paragraph KK, subparagraph (2) for the taxable year.

29 Upon the taxable disposition of property to which this paragraph applies, the amount  
30 of any gain or loss includable in federal adjusted gross income must be adjusted for  
31 Maine income tax purposes by an amount equal to the difference between the  
32 addition modification for such property under subsection 1, paragraph KK,  
33 subparagraph (2) and the subtraction modifications allowed pursuant to this  
34 paragraph.

35 The total amount of subtraction claimed under this paragraph for all tax years may  
36 not exceed the addition modification under subsection 1, paragraph KK,  
37 subparagraph (2) for the same property; ~~and~~

38 **Sec. 9. 36 MRSA §5122, sub-§2, ¶PP** is enacted to read:

39 PP. To the extent included in federal adjusted gross income, student loan payments  
40 made directly to a lender on behalf of the taxpayer by a student loan repayment  
41 program funded by a nonprofit foundation and administered by the Finance Authority  
42 of Maine for residents of the State employed by a business located in the State.'

1 Amend the bill in section 4 in subsection 6 in the last line (page 1, line 23 in L.D.) by  
2 striking out the following: "2017" and inserting the following: '2019'

3 Amend the bill in section 5 in §5217-E by striking out all of the first indented  
4 paragraph (page 1, lines 26 to 28 in L.D.) and inserting the following:

5 'For tax years beginning on or after January 1, 2019, a qualified individual or the  
6 employer of a qualified employee is allowed a credit for student loan repayments as  
7 computed under this section against the taxes imposed under this Part.'

8 Amend the bill in section 5 in §5217-E in subsection 1 in paragraph H by striking out  
9 all of subparagraph (3) (page 2, lines 31 to 39 in L.D.) and inserting the following:

10 '(3) Meets one of the following conditions:

11 (a) The individual worked during the taxable year:

12 (i) At least part time in this State for an employer or as a self-employed  
13 individual; or

14 (ii) At least part time in a position on a vessel at sea;

15 (b) The individual was deployed for military service in the United States  
16 Armed Forces, including the National Guard and the Reserves of the United  
17 States Armed Forces. As used in this division, "deployed for military  
18 service" has the same meaning as in Title 26, section 814, subsection 1,  
19 paragraph A; or

20 (c) The individual was a spouse of an individual who meets the requirements  
21 of either division (a) or division (b).'

22 Amend the bill in section 5 in §5217-E in subsection 3 by striking out all of  
23 paragraph B (page 3, lines 34 to 36 in L.D.) and inserting the following:

24 'B. Fifteen percent of the outstanding eligible education loan debt determined on the  
25 date the first education loan payment is made after the degree is earned.'

26 Amend the bill in section 5 in §5217-E by striking out all of subsection 4 (page 3,  
27 lines 37 to 43 and page 4, lines 1 to 3 in L.D.) and inserting the following:

28 '4. Calculation of the credit; employers. Subject to subsection 2, the credit with  
29 respect to a taxpayer constituting an employer making payments on eligible education  
30 loans directly to a lender during the taxable year on behalf of a qualified employee is  
31 equal to the lesser of:

32 A. The amount paid by the employer on behalf of the qualified employee on eligible  
33 education loans during the taxable year during the term of employment; and

34 B. Twenty percent of the outstanding eligible education loan debt determined on the  
35 date of the first education loan payment made after December 31, 2018.

36 If the qualified employee is employed on a part-time basis during the taxable year, the  
37 credit with respect to that employee is limited to 50% of the credit otherwise determined  
38 under this subsection.'

39 Amend the bill by inserting after section 5 the following:

