

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. 1203, L.D. 1723, Bill, "An Act To Expand Job Opportunities for People Working in Maine"

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

'Sec. 1. 36 MRSA §5122, sub-§2, ¶PP is enacted to read:

PP. For taxable years beginning on or after January 1, 2019, for a taxpayer constituting an employing unit, as defined in Title 26, section 1043, subsection 10, the following portion of expenses paid by the employing unit during the tax year to cover housing costs for employees of the employing unit:

(1) For each employee who worked 1,750 or more hours during the tax year, the lesser of \$1,500 and actual expenses paid by the employing unit;

(2) For each employee who worked fewer than 1,750 hours and more than 999 hours during the tax year, the lesser of \$1,000 and actual expenses paid by the employing unit; and

(3) For each employee who worked fewer than 1,000 hours and more than 474 hours during the tax year, the lesser of \$750 and actual expenses paid by the employing unit.

For the purposes of this paragraph, unless the context otherwise indicates, "housing costs" means payments by an employing unit to an employee to pay or reimburse for housing; direct payments by an employing unit to a person other than an employee to pay for housing for the employee; and the fair market value of housing provided by an employing unit to an employee without cost to the employee.

The subtraction allowed under this paragraph is in addition to any other deductions allowed for housing costs.

Sec. 2. 36 MRSA §5200-A, sub-§2, ¶BB is enacted to read:

COMMITTEE AMENDMENT

1 BB. For taxable years beginning on or after January 1, 2019, for a taxpayer  
2 constituting an employing unit, as defined in Title 26, section 1043, subsection 10,  
3 the following portion of expenses paid by the employing unit during the tax year to  
4 cover housing costs for employees of the employing unit:

5 (1) For each employee who worked 1,750 or more hours during the tax year, the  
6 lesser of \$1,500 and actual expenses paid by the employing unit;

7 (2) For each employee who worked fewer than 1,750 hours and more than 999  
8 hours during the tax year, the lesser of \$1,000 and actual expenses paid by the  
9 employing unit; and

10 (3) For each employee who worked fewer than 1,000 hours and more than 474  
11 hours during the tax year, the lesser of \$750 and actual expenses paid by the  
12 employing unit.

13 For the purposes of this paragraph, unless the context otherwise indicates, "housing  
14 costs" means payments by an employing unit to an employee to pay or reimburse for  
15 housing; direct payments by an employing unit to a person other than an employee to  
16 pay for housing for the employee; and the fair market value of housing provided by  
17 an employing unit to an employee without cost to the employee.

18 The subtraction allowed under this paragraph is in addition to any other deductions  
19 allowed for housing costs.'

20 **SUMMARY**

21 This amendment is the minority report of the committee. It enables employers to  
22 attract more candidates to fill vacant positions by providing an income tax deduction for  
23 employers that pay for housing costs of employees. The amount of the deduction is  
24 related to the number of hours worked during the tax year by the employee.

25 **FISCAL NOTE REQUIRED**

26 **(See attached)**