

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. 1237, L.D. 1853, “An Act to Establish an Educational Tax Credit Program to Help Parents Pay for Nonpublic School Tuition and Fees”

Amend the bill in section 2 in c. 220 in §5902 by striking out all of subsection 1 (page 1, lines 20 and 21 in L.D.) and inserting the following:

'1. Eligible student. "Eligible student" means a resident of the State who is eligible to enroll in an elementary or secondary public school and is not enrolled in a nonpublic school on October 1, 2025.'

Amend the bill in section 2 in c. 220 in §5906 in subsection 1 in paragraph C in the 4th line (page 2, line 21 in L.D.) by striking out the following: "70%" and inserting the following: '55%'

Amend the bill in section 2 in c. 220 in §5906 in subsection 1 in paragraph C in the last line (page 2, line 23 in L.D.) by striking out the following: "70%" and inserting the following: '55%'

Amend the bill in section 3 in §5217-G in subsection 1 by striking out all of paragraph C (page 3, lines 1 to 3 in L.D.) and inserting the following:

'C. "Qualified taxpayer" means a taxpayer who:

(1) Is a resident of the State;

(2) Files a state income tax return;

(3) Is not a dependent of another taxpayer; and

(4) Is the parent or guardian of a student who meets the requirements of Title 20-A, section 5904.'

Amend the bill in section 3 in §5217-G by striking out all of subsection 2 (page 3, lines 6 to 12 in L.D.) and inserting the following:

'2. Credit allowed. For tax years beginning on or after January 1, 2026, a qualified taxpayer is allowed a credit against the tax imposed by this Part in accordance with the

provisions of this section for each eligible student that the qualified taxpayer is a parent or guardian of. The credit is created to implement the Educational Tax Credit Program established under Title 20-A, section 5901. The annual amount of the credit is limited to the amount provided in subsection 4.'

Amend the bill in section 3 in §5217-G in subsection 3 in the 3rd line (page 3, line 15 in L.D.) by striking out the following: "an eligible student" and inserting the following: 'each eligible student that the qualified taxpayer is a parent or guardian of'

Amend the bill in section 3 in §5217-G by striking out all of subsection 4 (page 3, lines 17 to 20 in L.D.) and inserting the following:

'4. Determination of amount of credit; refundable. The subsection governs the credit under this section.

A. Each October 1st, the assessor shall determine for the immediately following tax year the maximum amount of the credit available under this section. The assessor shall make this determination by multiplying by 55% the average per-pupil cost of education for the fiscal year in which the determination is being made; that amount is the maximum credit available. As used in this paragraph, "average per-pupil cost of education" is the amount calculated and published by the Department of Education pursuant to Title 20-A, section 5906, subsection 1, paragraph C.

B. A taxpayer may take the credit determined pursuant to paragraph A, except that the credit may not exceed the amount of tuition and fees paid by the qualified taxpayer during the taxable year.

C. The credit is a refundable credit on the individual income taxes of the qualified taxpayer.'

Amend the bill by inserting after section 3 the following:

'Sec. 4. 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

**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF
DEPARTMENT TOTALS**

	2025-26	2026-27
GENERAL FUND	\$0	\$12,844
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$12,844

EDUCATION, DEPARTMENT OF

School Finance and Operations Z078

Initiative: Provides ongoing funds for one Public Service Coordinator I position and related All Other costs to establish and administer the educational tax credit program.

GENERAL FUND	2025-26	2026-27
POSITIONS - LEGISLATIVE COUNT	1.000	1.000
Personal Services	\$86,381	\$120,645
All Other	\$12,057	\$8,860
GENERAL FUND TOTAL	\$98,438	\$129,505

**EDUCATION, DEPARTMENT OF
DEPARTMENT TOTALS**

	2025-26	2026-27
GENERAL FUND	\$98,438	\$129,505
DEPARTMENT TOTAL - ALL FUNDS	\$98,438	\$129,505

SECTION TOTALS

	2025-26	2026-27
GENERAL FUND	\$98,438	\$142,349
SECTION TOTAL - ALL FUNDS	\$98,438	\$142,349

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

SUMMARY

This amendment specifies that to qualify for the education tax credit under the bill, the taxpayer must be a resident of Maine and the eligible student must be a resident of Maine who is not enrolled in a nonpublic school on October 1, 2025. The amendment decreases the maximum credit from 70% to 55% of the cost of publicly funded education, requires the State Tax Assessor to annually determine the maximum credit that is available for each eligible student and specifies that the credit may not exceed the cost of tuition and fees paid by the taxpayer.

The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)