



130th MAINE LEGISLATURE

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Legislative Document

No. 1410

S.P. 460

In Senate, April 12, 2021

**An Act To Incentivize the Development of the Labor Force in the
Green Jobs Sector through Assistance in Repaying Student Loan
Debt**

Received by the Secretary of the Senate on April 8, 2021. Referred to the Committee on
Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BRENNER of Cumberland.
Cosponsored by Representative PLUECKER of Warren and
Senators: BENNETT of Oxford, CHIPMAN of Cumberland, President JACKSON of
Aroostook, MAXMIN of Lincoln, Representatives: FAULKINGHAM of Winter Harbor,
McDONALD of Stonington, TERRY of Gorham.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5217-E** is enacted to read:

3 **§5217-E. Green jobs employment credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Accredited institution" means a community college, college or university that is
7 accredited by a regional accrediting association or by one of the specialized accrediting
8 agencies recognized by the United States Secretary of Education.

9 B. "Benchmark loan payment" means the monthly loan payment, as calculated by the
10 State Tax Assessor, for the amount of the principal cap paid over 10 years at the interest
11 rate for federally subsidized Stafford loans under 20 United States Code, Section 1077a
12 applicable during the qualified individual's last year of enrollment at an accredited
13 institution.

14 C. "Financial aid package" means financial aid obtained by a student for attendance at
15 an accredited institution, including refinanced or consolidated loans if those refinanced
16 or consolidated loans remain separate from other debt.

17 D. "Green job" means a job:

18 (1) Within a business or industry sector that provides goods or services that benefit
19 the environment or conserve natural resources, including farming, fishing,
20 renewable resource development and logging in accordance with a forest
21 management plan or outcome-based forest policy, as defined in Title 12, section
22 8868, subsections 2 and 2-B, respectively. As used in this subparagraph,
23 "renewable resource" has the same meaning as in Title 35-A, section 3210,
24 subsection 2, paragraph C; or

25 (2) In which the employee is primarily responsible for making the employer's
26 activities or processes more environmentally sustainable or reducing the
27 employer's reliance on nonrenewable resources.

28 E. "Principal cap" means the limit on the loan principal for purposes of claiming the
29 credit under this section. The principal cap is equal to the average in-state tuition and
30 mandatory fees applicable to an associate, bachelor's or graduate degree program
31 within the University of Maine System for the academic year ending during the
32 calendar year prior to the individual's graduation, multiplied by the number of years of
33 full-time attendance necessary to obtain the relevant degree.

34 F. "Qualified employment" means full-time employment or part-time employment, as
35 defined in section 5217-D, subsection 1, paragraphs C and D, respectively, in a green
36 job or in a STEM career.

37 G. "Qualified individual" means an individual, including the spouse filing a joint return
38 with the individual under section 5221, who is eligible for the credit under this section.
39 An individual is eligible for the credit if the individual:

40 (1) During the taxable year, was a resident of or domiciled in this State or was
41 deployed for military service, as defined in section 5217-D, subsection 1,
42 paragraph G, subparagraph (5); and

1 (2) During the taxable year, worked in qualified employment in the State.
2 H. "STEM career" means employment in the field of science, technology, engineering
3 or mathematics.

4 **2. Credit allowed.** For taxable years beginning on or after January 1, 2021 a qualified
5 individual is allowed a credit against the tax imposed by this Part in accordance with the
6 provisions of this section.

7 A. A taxpayer may claim a credit based on loan payments actually made to a lender or
8 lenders under this section only with respect to loans that are part of the taxpayer's
9 financial aid package and only with respect to the amount of loan payments paid by the
10 taxpayer during that part of the taxable year that the taxpayer worked in this State.

11 B. For the purposes of this section, a taxpayer who worked in this State for any part of
12 a month during the taxable year is considered to have worked in this State for the entire
13 month. For the purposes of this section, a taxpayer who worked outside this State for
14 an entire month during the taxable year is considered to have worked in this State
15 during that month, except that in no case may this exception exceed 3 months during
16 the taxable year.

17 C. A payment in excess of the loan payment amount due during the taxable year does
18 not qualify for the credit under this section.

19 D. Forbearance or deferment of loan payments does not affect eligibility for the credit
20 under this section.

21 E. The credit under this section is refundable to the extent the credit is based on loans
22 included in the financial aid package acquired to obtain or attempt to obtain an
23 associate, bachelor's or graduate degree from an accredited institution.

24 F. A taxpayer entitled to the credit under this section for any taxable year may carry
25 over and apply to the tax liability for any one or more of the next succeeding 10 years
26 the portion, as reduced from year to year, of any unused credits.

27 **3. Calculation of the credit; qualified individuals.** Subject to subsection 2, the credit
28 to which a qualified individual is entitled is equal to the lesser of the following amounts:

29 A. The benchmark loan payment multiplied by the number of months during the
30 taxable year in which the qualified individual made loan payments; and

31 B. The monthly loan payment amount multiplied by the number of months during the
32 taxable year in which the qualified individual made loan payments.

SUMMARY

34 This bill creates a Maine income tax credit for Maine residents who work in certain
35 green jobs or in the fields of science, technology, engineering or mathematics in this State
36 and who make student loan payments related to their attendance at an accredited
37 community college, college or university. The income tax credit is refundable to the extent
38 that the taxpayer's loans were acquired to obtain or attempt to obtain an associate, bachelor's
39 or graduate degree from an accredited community college, college or university. The
40 income tax credit is equal to the lesser of a benchmark loan payment amount calculated by
41 the State Tax Assessor and the taxpayer's monthly loan payment amount, multiplied by the
42 number of months that the taxpayer made loan payments within the taxable year.