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An Act To Strengthen Maine's Economy through Improvements to the Educational Opportunity Tax Credit

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

Sec. 1. 20-A MRSA §12542, sub-§3-A, ¶A, as enacted by PL 2009, c. 553, Pt. A, §11, is amended to read:

A. The individual may claim the educational opportunity tax credit only with respect to loans that are part of that individual's financial aid package ~~and that have a term of at least 8 years.~~

Sec. 2. 36 MRSA §5217-D, sub-§2, as enacted by PL 2007, c. 469, Pt. B, §1, is amended to read:

2. Credit allowed. A taxpayer constituting an opportunity program participant or an employer of a qualified employee is allowed a credit against the tax imposed by this Part for each taxable year under the terms established in this section. The credit is created to implement the Job Creation Through Educational Opportunity Program established under Title 20A, chapter 428C.

~~The credit may not reduce the tax otherwise due under this Part to less than zero. The credit allowed by this section may result in a refund.~~ A taxpayer entitled to the credit for any taxable year may carry over and apply to the tax liability for any one or more of the next succeeding 10 years the portion, as reduced from year to year, of any unused credits. More than one taxpayer may claim a credit based on loan payments actually made to a relevant lender or lenders to benefit a single opportunity program participant, but no 2 taxpayers may claim the credit based on the same payment.

SUMMARY

This bill amends the educational opportunity tax credit by removing restrictions on the term of eligible loans and by making the tax credit refundable.