



125th MAINE LEGISLATURE

LD 835

LR 1210(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$0	\$54,150	\$82,080	\$114,000
Revenue				
General Fund	\$0	(\$54,150)	(\$82,080)	(\$114,000)
Other Special Revenue Funds	\$0	(\$2,850)	(\$4,320)	(\$6,000)

Fiscal Detail and Notes

Amending the educational opportunity tax credit by removing restrictions on the term of eligible loans and by making the credit refundable for tax years beginning on or after January 1, 2012 will reduce General Fund revenues and reduce revenue sharing starting in fiscal year 2012-13. Maine Revenue Services (MRS) states that revenue reductions may be substantially larger beyond fiscal year 2014-15 as more cohorts become eligible for a full credit and participation levels increase. The refundability of the credit creates greater uncertainty regarding the size of the potential revenue reduction.