

Special Project: Student Loan Repayment Tax Credit & Educational Opportunity Tax Credit

What information is readily available on usage and fiscal impact for the credit?

Tax Year	Total Credit Used	# Returns That Benefit
2016	\$14,649,373	8,312
2017	\$19,079,996	9,978
2018	\$24,373,775	11,873
2019	\$30,578,030	14,593
2020	\$24,584,128	13,167
2021	\$22,432,330	9,325
2022	\$32,345,243	14,396
2023	\$45,181,500	25,992
2024	\$59,885,995	28,678

EOTC

SLRTC

Source: Maine Revenue Services

What does readily available information show about credit promotion?

Promotion Requirements for SLRTC	
Promotion by State Agencies	MDOE, MDOL, FAME & DECD all have responsibilities for promotion of the credit
Promotion by Higher Education Institutions	Public higher education institutions have promotional responsibilities
Publicity	FAME has responsibilities to contract marketing for the credit throughout the state and there is an annual appropriation for this purpose

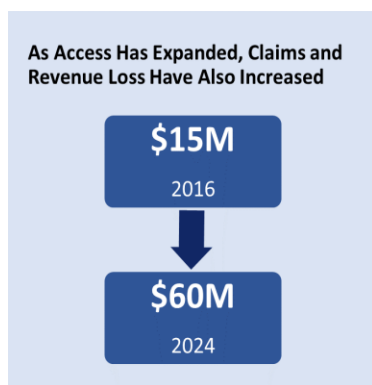
- There are no performance metrics in statute to evaluate promotional efforts against to determine success
- Not all promotional requirements in statute are currently measured by responsible agencies
- Current credit marketing appropriation: \$75,000
- Current contract holder: Live + Work in Maine (LWM)

How does Maine's credit compare to programs in other states?

- 20 states have enacted legislation related to student loan forgiveness programs (NCSL)
- Many states have student loan forgiveness programs—generally provide incentives for target professions in exchange for a term of service. Maine has similar programs.
- OPEGA identified three states with similar tax credits.

CT Student Loan Payment Tax Credit	<ul style="list-style-type: none"> • Credit for employers that make student loan payments on behalf of eligible employees. • Available starting 2022; \$10M in annual credits
MD Student Loan Debt Relief Tax Credit	<ul style="list-style-type: none"> • Credit for MD taxpayers with outstanding student loan debt. • Enacted in 2016; \$18M in annual credits
MN Student Loan Tax Credit	<ul style="list-style-type: none"> • Credit for MN residents who make student loan payments. • Enacted in 2017; annual limit of \$500 per individual

How has the design changed over time and impacted credit access, degree attainment and revenue loss?



- The design of the credit has changed frequently since enactment with changes generally increasing potential pool of eligible recipients.
- How effectively the design has supported degree attainment is unclear. The credit may be better suited to increasing the number of degree holders in ME versus increasing college attendance in the state—though other factors may also be important.