

Special Project:
Select Information on the Student Loan Repayment Tax Credit and the Former Educational Opportunity Tax Credit

Presentation to the Government Oversight Committee of the 132nd Legislature
September 17, 2025

Maine Legislature Office of Program Evaluation and Government Accountability (OPEGA)

1

Project Scope

- 1 What information is readily available on usage and fiscal impact for the SLRTC and EOTC?
- 2 How has the design of the credit changed over time, and how have changes impacted credit access, degree attainment in Maine, and the state's associated revenue loss?
- 3 What does readily accessible information show about the credit's promotion over time?
- 4 How does Maine's current credit compare with other states' similar credits or incentive programs including their goals and design?

2

What Information is Readily Available on Credit Usage and Fiscal Impacts?

	Tax Year	Refundable Credit Used	Nonrefundable Credit Used	Total Credit Used ^b	# Returns That Benefit ^c
EOTC	2016	\$10,139,425	\$4,509,949	\$14,649,373	8,312
	2017	\$13,093,610	\$5,986,386	\$19,079,996	9,978
	2018	\$16,654,592	\$7,719,183	\$24,373,775	11,873
	2019	\$19,647,553	\$10,930,477	\$30,578,030	14,593
	2020	\$14,576,832	\$10,007,297	\$24,584,128	13,167
	2021	\$13,521,350	\$8,910,980	\$22,432,330	9,325
SLRTC	2022	\$32,345,243	\$0	\$32,345,243	14,396
	2023	\$45,181,500	\$0	\$45,181,500	25,992
	2024	\$59,885,995	\$0	\$59,885,995	28,678

Source: Maine Revenue Services.

3

3

How Has the Design of the Credit

- Changed Over Time and
- Impacted Credit Access,
- Impacted the State’s Associated Revenue Loss, and
- Impacted Degree Attainment in Maine?

4

The Design of the Credit Has Changed Frequently

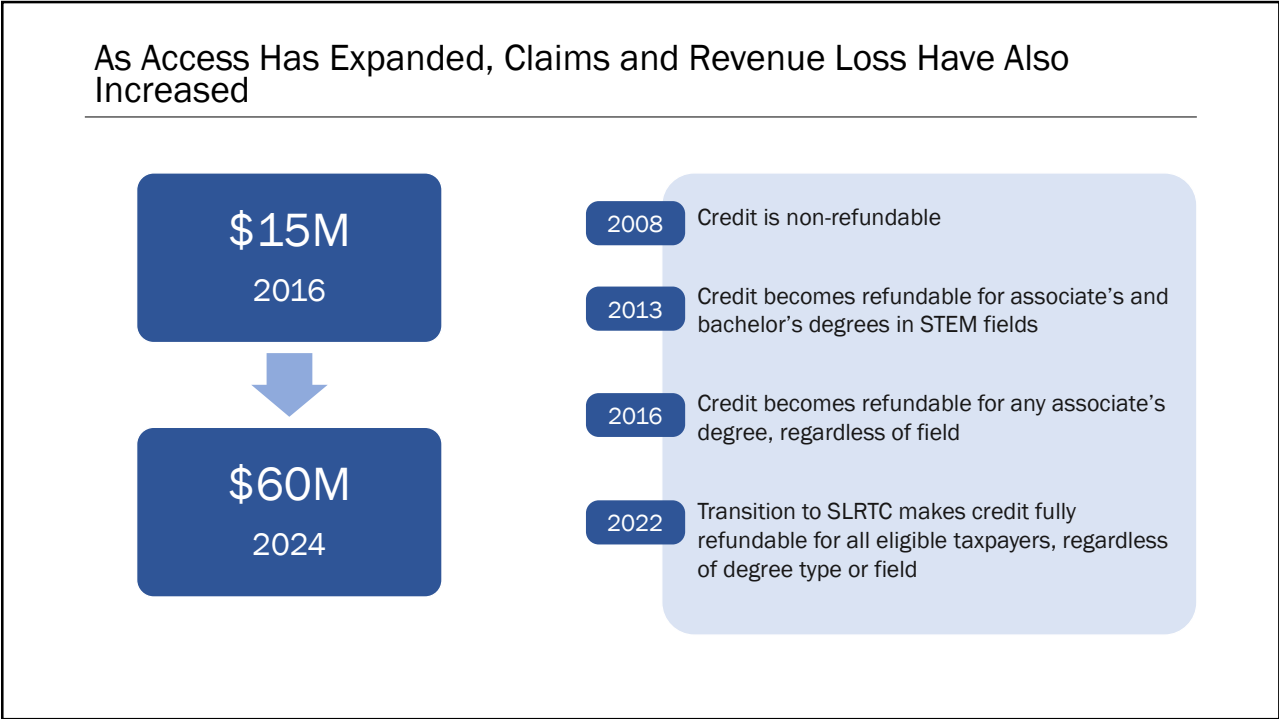
PL 2007, Ch. 469	Enacted the Job Creation Through Educational Opportunity Program Enacted the Credit for Educational Opportunities (EOTC)
PL 2009, Ch. 553	Made changes impacting credit calculations and eligibility requirements and required state higher educational institutions to promote the program
PL 2011, Ch. 665	Allowed credits for those with up to 30 credit hours completed outside of ME Introduced refundable credit for STEM degrees
PL 2013, Ch. 417 & Ch. 525	Introduced agency promotion requirements and an appropriation for marketing & made changes to credit calculations
PL 2015, Ch. 267 & Ch. 482	Included graduate degrees starting 2016 Made changes to eligible loans
PL 2021, Ch. 635	Sunset the Credit for Educational Opportunities (EOTC) Enacted the Student Loan Repayment Tax Credit

5

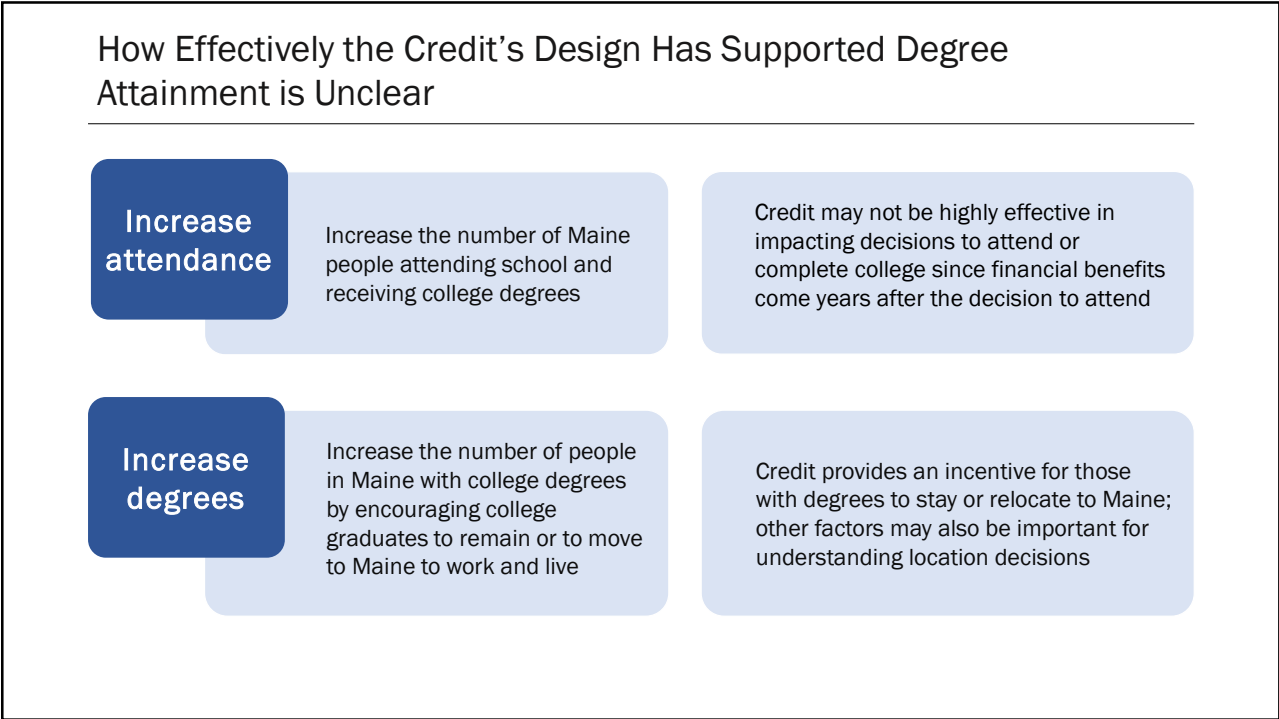
Design Changes Have Generally Allowed Increased Access

Beginning EOTC	<ul style="list-style-type: none">✓ Maine resident and Maine resident during college✓ Must work for an employer in Maine✓ Only for Maine colleges and universities✓ Non-refundable
Changes During EOTC	<ul style="list-style-type: none">✓ Definition of working for ME employer expanded✓ Eligible degrees expanded; including non-ME✓ Types of loans eligible expanded✓ Refundability added for certain degrees
SLRTC	<ul style="list-style-type: none">✓ Maine resident & minimum earned income✓ Most student loans for any associate's, bachelor's, or graduate degrees✓ Fully refundable

6



7



8

What Does Readily Available Information Show About the Credit's Promotion Over Time?

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

9

How Does Maine's Credit Compare to Other States' Similar Credits or Incentive Programs Including Their Goals and Design?

Examples of Targeted Maine Student Loan Repayment Programs	
Maine Dental Education Loan Repayment Program 20-A MRS §12302	Maine offers loan and loan repayment agreements for students enrolled in an eligible dental program of study. The maximum loan or loan repayment amount available to each participant is \$25,000 per year for up to 4 years.
Maine Health Care Provider Loan Repayment Pilot Program 20-A MRS Chapter 441	Maine offered a loan repayment pilot program for eligible health care providers who commit to living and working full time in Maine for at least three years. There was a one-time application and selection period in spring 2025. Maximum repayment is up to \$25,000 per year or, in aggregate, the lesser of \$75,000 or 50% of outstanding qualifying student loan balance over three years.
Nursing Education Loan Repayment Program 10 MRS §1019	Maine provides nursing faculty with loan repayment of up to \$40,000, over three years, depending on degree and full or part-time status.
Educators for Maine Program 20-A MRS §12502	Maine provides competitive, merit-based, forgivable loans for Maine students enrolling in undergraduate or graduate education degrees. Loans are up to \$5,000 per academic year and may be forgiven post-graduation for qualifying individuals working in Maine.

See also <https://www.famemaine.com/affording-education/pay-for-school/repaying-student-loans/> and <https://www.famemaine.com/affording-education/pay-for-school/borrowing-student-loans/student-loan-programs/educators-for-maine-program/>

10

How Does Maine’s Credit Compare to Other States’ Similar Credits or Incentive Programs Including Their Goals and Design?

Related Tax Credits in Other States	
Connecticut Student Loan Payment Tax Credit	<ul style="list-style-type: none"> • Available starting in 2022. Tax credits are for employers that make student loan payments on behalf of eligible employees. • Qualified employees are those that are CT residents, employed full-time by the employer in the state, and who have earned their bachelor’s degree within the past five years. • The credit amount is 50% of qualifying payments and is capped at \$2,625 per employee per year. • \$10 million in annual credits are available.
Maryland Student Loan Debt Relief Tax Credit	<ul style="list-style-type: none"> • Enacted in 2016. Tax credit for MD taxpayers who have incurred at least \$20,000 in student loan debt and have at least \$5,000 outstanding. • After receipt of tax credit, taxpayers must provide proof that they paid the amount toward their student loan debt, or the credit will be recaptured. • \$18 million in annual credits were available as of 2025.
Minnesota Student Loan Tax Credit	<ul style="list-style-type: none"> • Enacted in 2017. Tax credit for MN residents who make payments on student loans. • Credit amount based on income, loan payments and original loan amount. • Credits are nonrefundable (not available to those without tax liability) and there is a maximum credit amount of \$500/year (individual), \$1,000/year (household).

11

Thank you

Maine Legislature Office of Program Evaluation and Government Accountability (OPEGA)
<http://legislature.maine.gov/opega/>
 Room 104, Cross State Office Building | (207) 287-1901

12