



125th MAINE LEGISLATURE

LD 835

LR 1210(01)

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

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Knight of Livermore Falls

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

| | FY 2011-12 | FY 2012-13 | Projections FY 2013-14 | Projections FY 2014-15 |
|-----------------------------|-------------|-------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$104,500 | \$104,500 | \$104,500 | \$104,500 |
| Revenue | | | | |
| General Fund | (\$104,500) | (\$104,500) | (\$104,500) | (\$104,500) |
| Other Special Revenue Funds | (\$5,500) | (\$5,500) | (\$5,500) | (\$5,500) |

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 will reduce General Fund revenues and reduce revenue sharing. 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.