



128th MAINE LEGISLATURE

LD 1123

LR 2105(01)

An Act To Allow an Income Tax Deduction for Interest Paid on Student Loans

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Dion of Cumberland

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$1,641,525	\$1,728,014	\$1,755,932	\$1,834,319
Appropriations/Allocations				
General Fund	\$73,525	\$81,614	\$83,932	\$86,319
Revenue				
General Fund	(\$1,568,000)	(\$1,646,400)	(\$1,672,000)	(\$1,748,000)
Other Special Revenue Funds	(\$32,000)	(\$33,600)	(\$88,000)	(\$92,000)

Fiscal Detail and Notes

This bill provides an additional income tax credit for interest paid on qualified education loans that exceeds the credit allowed under federal regulations. It would result in a reduction in General Fund revenue of \$1,568,000 in fiscal year 2017-18 and \$1,646,400 in fiscal year 2018-19 and a reduction in Local Government Fund revenue of \$32,000 in fiscal year 2017-18 and \$33,600 in fiscal year 2018-19. The Department of Administrative and Financial Services would require a General Fund appropriation of \$73,525 in fiscal year 2017-18 and \$81,614 in fiscal year 2018-19 for one Tax Examiner position and related costs to establish and implement the income tax credit for interest paid education loans.