



125th MAINE LEGISLATURE

LD 1030

LR 1414(02)

An Act To Reduce Costs for Small Businesses

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Insurance and Financial Services

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	\$0	\$185,250	\$684,000
Revenue				
General Fund	\$0	\$0	(\$185,250)	(\$684,000)
Other Special Revenue Funds	\$0	\$0	(\$9,750)	(\$36,000)

Fiscal Detail and Notes

The bill provides a tax credit for qualifying small businesses that purchase health insurance coverage through a small business health exchange established pursuant to federal law. The credit will be equal to 5% of qualifying expenditures for purchases of health coverage, up to a maximum credit value of \$1,250, and is non-refundable. The credit will be available for taxable years beginning January 1, 2014 for firms with from 2 to 10 employees. Eligibility will be extended to firms with up to 25 employees for tax years beginning on or after January 1, 2015, and to firms with up to 50 employees for tax years beginning on or after January 1, 2016.

The bill will have no impact on General Fund revenues or expenditures through FY 2012-2013. Maine Revenue Services estimates that the bill will reduce General Fund Revenues by \$185,250 in FY 2013-2014 and by \$684,000 in FY 2014-2015. Transfers to the Local Government Fund will be reduced in those years. As the credit will not be fully phased in until later, it is likely that over the longer term the bill will reduce General Fund revenues by more than \$1,000,000 annually.