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Date: (Filing No. H-)

INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1051, L.D. 1542, Bill, “An Act To Encourage Maine Employers To Offer and Employees To Enroll in Disability Income Protection Plans in the Workplace”

Amend the bill in section 1 in §2804-B in the first paragraph in the last line (page 1, line 15 in L.D.) by inserting after the following: "coverage." the following: 'An employee must be provided information regarding the employer-sponsored group disability income protection plan at least 30 days prior and a 2nd time at least 10 days prior to the initial payroll deduction of that employee's premiums. The information provided must include a statement of the employee's right to opt out of coverage, the process by which the employee may exercise the right to opt out of coverage and any deadline to opt out of coverage.'

Amend the bill by inserting after section 1 the following:

Sec. 2. 36 MRSA §191, sub-§2, ¶YY, as amended by PL 2015, c. 300, Pt. A, §6 and c. 344, §6, is further amended to read:

YY. The inspection and disclosure of information by the board to the extent necessary to conduct appeals procedures pursuant to this Title and issue a decision on an appeal to the parties. The board may make available to the public redacted decisions that do not disclose the identity of a taxpayer or any information made confidential by state or federal statute; ~~and~~

Sec. 3. 36 MRSA §191, sub-§2, ¶ZZ, as enacted by PL 2015, c. 300, Pt. A, §7 and c. 344, §7, is repealed and the following enacted in its place:

ZZ. The disclosure by the State Tax Assessor to a qualified Pine Tree Development Zone business that has filed a claim for reimbursement under section 2016 of information related to any insufficiency of the claim, including records of a contractor or subcontractor that assigned the claim for reimbursement to the qualified Pine Tree Development Zone business and records of the vendors of the contractor or subcontractor;

Sec. 4. 36 MRSA §191, sub-§2, ¶¶AAA and BBB are enacted to read:

COMMITTEE AMENDMENT

1 AAA. The disclosure of information by the State Tax Assessor or the Associate
2 Commissioner for Tax Policy to the Office of Program Evaluation and Government
3 Accountability under Title 3, section 991 for the review and evaluation of tax
4 expenditures pursuant to Title 3, chapter 37; and

5 BBB. The disclosure to an authorized representative of the Department of
6 Professional and Financial Regulation, Bureau of Insurance of information necessary
7 to determine whether a long-term disability income protection plan or short-term
8 disability income protection plan as described in section 5219-NN, subsection 1
9 qualifies for the disability income protection plans in the workplace credit provided
10 by section 5219-NN.

11 **Sec. 5. 36 MRSA §5122, sub-§1, ¶II**, as corrected by RR 2015, c. 1, §41, is
12 amended to read:

13 II. For taxable years beginning in 2014:

14 (1) An amount equal to the net increase in depreciation attributable to the
15 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)
16 with respect to property placed in service in the State during the taxable year for
17 which a credit is claimed under section 5219-MM for that taxable year; and

18 (2) An amount equal to the net increase in depreciation attributable to the
19 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)
20 with respect to property for which a credit is not claimed under section
21 5219-MM; ~~and~~

22 **Sec. 6. 36 MRSA §5122, sub-§1, ¶JJ**, as enacted by PL 2015, c. 267, Pt. DD,
23 §8, is amended to read:

24 JJ. For tax years beginning on or after January 1, 2016, an amount equal to the
25 taxpayer base multiplied by the following fraction:

26 (1) For single individuals and married persons filing separate returns, the
27 numerator is the taxpayer's Maine adjusted gross income less \$70,000, except
28 that the numerator may not be less than zero, and the denominator is \$75,000. In
29 no case may the fraction contained in this subparagraph produce a result that is
30 more than one. The \$70,000 amount used to calculate the numerator in this
31 subparagraph must be adjusted for inflation in accordance with section 5403,
32 subsection 3;

33 (2) For individuals filing as heads of households, the numerator is the taxpayer's
34 Maine adjusted gross income less \$105,000, except that the numerator may not
35 be less than zero, and the denominator is \$112,500. In no case may the fraction
36 contained in this subparagraph produce a result that is more than one. The
37 \$105,000 amount used to calculate the numerator in this subparagraph must be
38 adjusted for inflation in accordance with section 5403, subsection 3; or

39 (3) For individuals filing married joint returns or surviving spouses, the
40 numerator is the taxpayer's Maine adjusted gross income less \$140,000, except
41 that the numerator may not be less than zero, and the denominator is \$150,000.
42 In no case may the fraction contained in this subparagraph produce a result that is

1 more than one. The \$140,000 amount used to calculate the numerator in this
2 subparagraph must be adjusted for inflation in accordance with section 5403,
3 subsection 3.

4 For purposes of this paragraph, "taxpayer base" means either the taxpayer's
5 applicable standard deduction amount for the taxable year determined under section
6 5124-B or, if itemized deductions are claimed, the taxpayer's itemized deductions
7 claimed for the taxable year determined under section 5125-; and

8 **Sec. 7. 36 MRSA §5122, sub-§1, ¶KK** is enacted to read:

9 KK. The amount claimed as a deduction in determining federal adjusted gross
10 income related to a taxpayer's expenses for a qualified long-term disability income
11 protection plan or qualified short-term disability income protection plan during the
12 taxable year for which a credit is claimed under section 5219-NN for that taxable
13 year.'

14 Amend the bill in section 2 in §5219-NN in subsection 1 in paragraph B in the 2nd
15 line (page 1, line 23 in L.D.) by inserting after the following: "due to" the following: 'a
16 covered'

17 Amend the bill in section 2 in §5219-NN in subsection 1 in paragraph C in the first
18 line (page 1, line 25 in L.D.) by inserting after the following: "unit" the following: 'and is
19 eligible to enroll in a qualified short-term disability income protection plan or a qualified
20 long-term disability income protection plan under the terms and conditions of the
21 disability income protection plan'

22 Amend the bill in section 2 in §5219-NN by striking out all of subsection 3 (page 2,
23 lines 11 to 14 in L.D.) and inserting the following:

24 **3. Limit.** The total annual credit for a taxpayer under this section is limited to an
25 amount equal to \$30 for each employee enrolled after January 1, 2017 in either a
26 qualified short-term disability income protection plan or a qualified long-term disability
27 income protection plan, as long as the employee enrolled in a qualified short-term
28 disability income protection plan or a qualified long-term disability income protection
29 plan was not covered under a disability income protection plan offered by the employing
30 unit in the tax year immediately preceding the year in which the credit is first available.
31 The credit must be claimed by a taxpayer in the first tax year during which the taxpayer is
32 eligible to claim the credit and may be taken for no more than 3 consecutive tax years.

33 **4. Carry over; carry back.** The amount of the credit that may be used by a
34 taxpayer may not exceed the amount of the tax otherwise due. Any unused credit may
35 not be carried over or carried back by a taxpayer.'

36 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
37 section number to read consecutively.

38 SUMMARY

39 This amendment adds language to the bill regarding the bill's proposed group
40 disability income protection plan. Specifically, the amendment requires that, if an
41 employer offers a plan with automatic enrollment, the employee must be provided

1 information regarding the employer-sponsored group disability income protection plan
2 and the employee's right to opt out of coverage at least 30 days prior and a 2nd time at
3 least 10 days prior to the initial payroll deduction of premiums.

4 Like the bill, the amendment provides a tax credit to employers providing a qualified
5 short-term disability income protection plan or a qualified long-term disability income
6 protection plan. Disability income protection plans that do not qualify for the tax credit
7 may still be authorized to be issued in the State by the Department of Professional and
8 Financial Regulation, Bureau of Insurance.

9 The amendment provides that an employer is entitled to a tax credit of \$30 for each
10 employee enrolled in a group disability income protection plan after January 1, 2017, as
11 long as the employee was not covered under a disability income protection plan offered
12 by the employing unit in the tax year immediately preceding the year in which the credit
13 is first available. The credit must be claimed by a taxpayer in the first tax year during
14 which the taxpayer is eligible to claim the credit and may be taken for no more than 3
15 consecutive tax years. The amendment specifies that the amount of the credit may not
16 exceed the amount of the tax due and that unused credit may not be carried over or
17 carried back. The bill proposes a tax credit of \$50, which would be available for 5 years.
18 The amendment clarifies that an employer's federal adjusted gross income must be
19 increased by the amount claimed as a deduction related to a taxpayer's expenses for a
20 qualified long-term disability income protection plan or qualified short-term disability
21 income protection plan during the taxable year for which a tax credit is claimed. The
22 amendment clarifies that the determination of whether an employer can claim the tax
23 credit for an eligible employee is based on the terms and conditions of the qualified long-
24 term or short-term disability income protection plan selected by the employer. The
25 amendment also permits the Department of Administrative and Financial Services,
26 Bureau of Revenue Services to share information with the Department of Professional
27 and Financial Regulation, Bureau of Insurance as necessary to determine the qualification
28 of long-term or short-term disability income protection plans for the tax credit.

29 This amendment also corrects a numbering problem created by Public Law 2015,
30 chapters 300 and 344, which enacted 2 substantively different provisions with the same
31 paragraph designation.

32 **FISCAL NOTE REQUIRED**

33 **(See attached)**