

STATE OF MAINE

—  
IN THE YEAR OF OUR LORD  
TWO THOUSAND AND SIXTEEN

—  
H.P. 1051 - L.D. 1542

**An Act To Encourage Maine Employers To Offer and Employees To Enroll  
in Disability Income Protection Plans in the Workplace**

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 24-A MRSA §2804-B** is enacted to read:

**§2804-B. Group disability income protection plan**

An employer may offer its employees an employer-sponsored group disability income protection plan in accordance with the requirements of section 2804. As used in this section, "disability income protection plan" means a group short-term disability policy or a group long-term disability policy instituted by an employer that provides income benefits to an employee who is unable to work for an extended period of time because of sickness or an accident. For the purpose of Title 26, section 629, subsection 1, the premium paid by an employee for an employer-sponsored group disability income protection plan issued pursuant to this section is considered a premium that the employee has agreed to pay if the group disability income protection plan provides for appropriate disclosure regarding the plan chosen by the employer, a method of enrollment that allows employees to opt out of coverage and an appropriate time period for employees to voluntarily terminate coverage. 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.

**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 A, §7 and c. 344, §7, is repealed and the following enacted in its place: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:

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

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

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

II. For taxable years beginning in 2014:

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

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

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

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

(1) For single individuals and married persons filing separate returns, the numerator is the taxpayer's Maine adjusted gross income less \$70,000, except that the numerator may not be less than zero, and the denominator is \$75,000. In no case may the fraction contained in this subparagraph produce a result that is

more than one. The \$70,000 amount used to calculate the numerator in this subparagraph must be adjusted for inflation in accordance with section 5403, subsection 3;

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

(3) For individuals filing married joint returns or surviving spouses, the numerator is the taxpayer's Maine adjusted gross income less \$140,000, except that the numerator may not be less than zero, and the denominator is \$150,000. In no case may the fraction contained in this subparagraph produce a result that is more than one. The \$140,000 amount used to calculate the numerator in this subparagraph must be adjusted for inflation in accordance with section 5403, subsection 3.

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

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

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

**Sec. 8. 36 MRSA §5219-NN** is enacted to read:

**§5219-NN. Credit for disability income protection plans in the workplace**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Disability income protection plan" or "plan" has the same meaning as in Title 24-A, section 2804-B.

B. "Elimination period" means the time period during which an employee is unable to work due to a covered sickness or injury but is not yet eligible for disability benefits under the plan.

C. "Employee" means an individual who performs services for an employing unit and is eligible to enroll in a qualified short-term disability income protection plan or a qualified long-term disability income protection plan under the terms and conditions of the disability income protection plan.

D. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10.

E. "Qualified long-term disability income protection plan" means an employer-sponsored disability income protection plan that replaces at least 50% of predisability earnings prior to any applicable offsets, offers benefits for at least 24 months, has an elimination period of no greater than 185 days and is either:

(1) A plan established after January 1, 2017 that allows for employees to opt out of enrollment; or

(2) An existing plan that is reopened for enrollment and allows for employees to opt out of enrollment.

F. "Qualified short-term disability income protection plan" means an employer-sponsored disability income protection plan that replaces income of at least \$200 per week, offers benefits for at least 6 months, has an elimination period of no more than 30 days and is either:

(1) A plan established after January 1, 2017 that allows for employees to opt out of enrollment; or

(2) An existing plan that is reopened for enrollment and allows for employees to opt out of enrollment.

**2. Credit allowed.** A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part for each taxable year beginning on or after January 1, 2017 for either a qualified short-term disability income protection plan or a qualified long-term disability income protection plan.

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

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