

Chapter 812: CREDIT FOR EDUCATIONAL OPPORTUNITY

SUMMARY: This rule explains in further detail the Maine income tax credit for educational opportunity pursuant to 36 M.R.S. § 5217-D.

Outline of Contents:

- .01 Generally
 - .02 Science, technology, engineering or mathematics
 - .03 Degree program list
 - .04 Bachelor's and master's degrees earned and awarded simultaneously
 - .05 Credit allowed in the event of forbearance or deferment
 - .06 Application
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.01 Generally

A taxpayer who is a qualified individual or the employer of a qualified individual may claim the Maine income tax credit for educational opportunity, for certain educational loan payments related to the award of certain associate or bachelor's degrees. The credit allowed to a qualified individual is refundable if that individual obtained an associate's degree or bachelor's degree in science, technology, engineering or mathematics from an accredited Maine community college, college, or university. See 36 M.R.S. § 5217-D(3).

.02 Science, technology, engineering or mathematics

A degree in science, technology, engineering or mathematics ("STEM") means an associate or bachelor's degree with a major (or if no major is awarded, an equivalent concentration) as recognized by the participant's accredited Maine community college, college or university limited to the following courses of study:

- A. Animal, food or plant science, archeology, biology, chemistry, computer and information sciences, environmental science, physics/physical, earth or marine sciences or registered nursing/nursing sciences;
- B. Aeronautical engineering, architectural engineering technology, biotechnology, clinical or medical technologies, communications technology, computer technology, construction engineering technology, drafting and design technology, automotive technology, electrical and electrical engineering technology,

electromechanical engineering technology, science technology or telecommunications technology;

- C. Chemical, civil, construction, electrical, forest, industrial, mechanical, naval or surveying engineering; or
- D. Economics, mathematics or statistics.

.03 Degree program list

The appearance of the participant's degree listed on the United States Department of Homeland Security, Immigration and Customs Enforcement STEM-designated Degree Program List is presumptive evidence that the degree awarded qualifies as a degree in science, technology, engineering or mathematics.

.04 Bachelor's and master's degrees earned and awarded simultaneously

In the case of a bachelor's degree and a master's degree earned and awarded simultaneously, the eligible loan payments or benchmark loan payment amount, whichever applies for purposes of calculating the credit for the taxable year, must be prorated in order to limit the credit to an amount based on eligible loan payments made during the taxable year for costs associated with courses taken to acquire the bachelor's degree. The proration is a fraction, the numerator of which is the cost for the courses taken to acquire the bachelor's degree and the denominator of which is the total cost for obtaining both the bachelor's degree and the master's degree.

.05 Credit allowed in the event of forbearance or deferment

For tax years beginning on or after January 1, 2020, the payment amount considered due for purposes of 36 M.R.S. § 5217-D(2)(B) for any month of the taxable year in which the qualified individual's or qualified employee's required student loan payment is suspended due to forbearance or deferment is equal to the student loan payment amount that would be due but for forbearance or deferment, as established by reliable documentation provided to the Assessor that establishes that amount.

- A. **Variable Payment Amount.** For loans with a payment amount due that varies from month to month, the monthly payment amount considered due during forbearance or deferment is calculated using the average student loan payment due during the months of the taxable year in which the loans were not in forbearance or deferment. If the loans were in forbearance or deferment for the entirety of the taxable year and the amount otherwise due is not known, the monthly payment amount considered due during forbearance or deferment is equal to the benchmark loan payment as determined under 36 M.R.S. § 5217-

D(1)(A).

- B. Payment Amount Unknown.** If the taxpayer does not establish the student loan payment amount that would be due but for forbearance or deferment by providing sufficient reliable documentation to the Assessor, the monthly payment amount considered due during forbearance or deferment is equal to the benchmark loan payment as determined under 36 M.R.S. § 5217-D(1)(A).

.06 Application

Except where otherwise stated, this Rule applies to income tax years beginning on or after January 1, 2014.

STATUTORY AUTHORITY: 36 M.R.S. §§ 112, 5217-D

EFFECTIVE DATE:

April 22, 2013 – filing 2013-102

AMENDED:

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