



TAX CREDIT FOR DEPENDENT HEALTH BENEFITS PAID WORKSHEET FOR TAX YEAR 2011 36 MRSA § 5219-O

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Enter name and ID number of the entity on the lines below.

NAME OF PASS-THROUGH ENTITY

EIN/SSN

1. Number of low-income employees in 2011 with dependent health benefits coverage1. _____
2. Line 1 x \$1252. _____
3. Amount paid for dependent health benefits in 2011 with respect to low-income employees.
(see definition of "dependent health benefits" in the instructions).....3. _____
4. Line 3 x 20% (0.20)4. _____
5. Credit claimed. Enter the lesser of line 2 or line 45. _____
6. Carryforward from previous years. (Excess credit may only be carried over for 2 years)6. _____
7. Total credit available this year: Line 5 plus line 6
(Corporations enter this amount on Form 1120ME, Schedule C, line 29k, Credit Claimed)...7. _____
8. Tax liability (Form 1120ME, line 7a or Form 1040ME, Schedule A, line 20)8. _____
9. Line 8 x 50% (0.50)9. _____
10. Credit amount: Enter the lesser of line 7 or line 9
(enter here and on Form 1120ME, Schedule C, line 29k or Form 1040ME, Schedule A,
line 18)10. _____
11. Carryforward: Line 7 minus line 10 plus any amount on line 10 not used on
Form 1120ME, Schedule C or Form 1040ME, Schedule A as a result of claiming other
Maine credits first or because the amount on line 10 exceeds your Maine tax liability.
(see instructions.).....11. _____

2011
TAX CREDIT FOR DEPENDENT HEALTH BENEFITS PAID
WORKSHEET INSTRUCTIONS

This credit is available to employers that offer a qualified health benefit plan and that employ fewer than five employees. This credit is equal to the lesser of 20% of the dependent health benefits paid by the employer for low-income employees or \$125 per low-income employee with dependent health coverage. A taxpayer that employs five or more employees after qualifying for the credit may continue to qualify for the credit for another two years. Otherwise, a taxpayer may claim a credit only for those periods during which the employer: 1) offers a qualified health benefit plan that is made available to all low-income employees; 2) pays at least 80% of the health insurance costs for each low-income employee under the plan; and 3) pays at least 60% of the cost of dependent health insurance benefits for children under 19 who are dependents of low-income employees under the plan. The credit is limited to 50% of the regular income tax due. Any unused credit may be carried forward for two years.

“Employer” means an entity that employs one or more individuals performing services for it within this state. For a complete definition of employer, see 26 MRSA § 1043.

“Dependent” means a dependent, as defined by IRC § 152, who is under 19 years of age.

“Dependent health benefits” means health benefits and health insurance costs allowable as deductions to the employer under IRC § 105, paid by the taxpayer on behalf of the taxpayer’s low-income employees for the benefit of the employees’ dependents.

“Health benefit plan” means a plan that includes comprehensive coverage for at least the following range of benefits: inpatient and outpatient hospital services; physicians’ surgical and medical services; laboratory and x-ray services; and well-baby and well-child care, including age-appropriate immunizations. The plan must provide coverage that has an actuarial value no less than 80% of the actuarial value of coverage that is provided to employees of the State of Maine. For purposes of this paragraph, “actuarial value” means the expected cost of a benefit based on assumptions as to relevant variables such as morbidity, mortality, persistency and interest. When comparing the actuarial value of one benefit or package of benefits to another, both actuarial values must be based on the same assumptions. The plan must also impose copayment and deductible costs on the employee that do not exceed 10% of the actuarial value of all benefits afforded by the plan and makes the same or comparable coverage available for the benefit of the employee’s dependent children who are under 19 years of age.

“Low-income employee” means a Maine resident whose average weekly earnings from the employer do not exceed the state’s average weekly wage as calculated by the Department of Labor.

In the case of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.), the partners, members, shareholders, beneficiaries or other owners are allowed a credit in proportion to their respective interest in these entities.

SPECIFIC LINE INSTRUCTIONS

Please enter the employer name and social security number (“SSN”) or employer identification number (“EIN”).

- Line 1.** Enter the total number of low-income employees with dependent health benefits provided by the employer.
- Line 3.** Enter the total amount paid by the employer to provide dependent health benefits in 2011 for low-income employees. See definition of dependent health benefits above.
- Line 6.** Enter any tax credit amounts claimed in 2009 or 2010 but not used. This amount should come from your 2010 worksheet, line 11.
- Lines 8 & 9.** The credit is limited to 50% of the Maine tax liability.
- Line 11.** Enter the unused credit amount here. That portion of the unused credit not exceeding the 2-year carryover period may be claimed on your Maine income tax return next year.