



Opportunity Maine

**Reducing the burden of student loan debt
through income tax credits**

December 2015

Today's Webinar Will Include

- Information about the Opportunity Maine Tax Credit
- How to claim the tax credit
- How this credit benefits students
- What you can do to promote this tax credit



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- Created by a bi-partisan coalition in 2008, Opportunity Maine was established to reduce the burden of student loan debt
- Through their efforts the **Educational Opportunity Tax Credit (EOTC)** was enacted

The **Educational Opportunity Tax Credit (EOTC)** is:

- A Maine state income tax credit
- For eligible student loan payments made
- By residents who graduated from an accredited Maine college/university after January 1, 2008
- And continue to live, work & pay taxes in Maine

- Must have obtained an associate or bachelor's degree on or after January 1, 2008
- Degree must be from an accredited Maine community college, college, or university
- Must be current ME residents who live, work & pay state income taxes in Maine

Amount of Credit

Credit amount is based on year of graduation, type of degree, and student loan payments made

- Associate Degree – nearly \$800/year
- Bachelor's Degree – over \$4,000/year

Benchmark Values

Year of Graduation	Associate's Degree	Bachelor's Degree
2008	*	*
2009	*	*
2010	\$72.00	\$343.00
2011	\$68.00	\$344.00
2012	\$65.00	\$342.00
2013	\$65.00	\$356.00
2014	\$66.00	\$363.00

Can be found on Opportunity Maine Website: www.OpportunityMaine.org

Benchmark Loan Payment

- Maximum value of monthly loan payment that can be claimed
- Based on in-state tuition/fees for the Maine Community College System or the University of Maine System
- Based on the type of degree received
- Determined each year by the State Tax Assessor
 - Caveat: 2008 & 2009 Benchmarks calculated by school Financial Aid office

If the student graduated in 2008 or 2009:

- The college financial aid office will determine the benchmark value for those years.
- Maine Revenue Services has listing of school specific benchmark loan payments for 2008-2009
- Contact 207-626-8475 or income.tax@maine.gov

What info is required to complete EOTC worksheet?

- Grad date & credits completed after 2007
- Name of school attended
- Type of degree earned
- Average monthly loan payment DUE & PAID
- How long you lived/worked in Maine
- Number of months loans were paid in year

OpportunityMaine.org - Tax Credit Estimator

How to Claim the Educational Opportunity Tax Credit

Participation in the program is simple. All you have to do to take advantage of the Educational Opportunity Tax Credit (EOTC) is to complete and submit the Educational Opportunity Tax Credit Worksheet when you file your Maine income tax return. This tax credit worksheet can be found [here](#).

If you graduated after December 31, 2009

You can use either the tax credit [worksheet](#) or the [tax credit estimator](#) to estimate your “benchmark loan payment.” This will in turn determine the maximum tax credit you can claim.

[If you graduated on or before December 31, 2009](#)

The “benchmark loan payment” for your eligible tax credit is determined by your college, based upon a formula. If you completed an Opportunity Maine Contract with your school when you attended, you should refer to this document as it should list the amount of your “benchmark loan payment.” If you did not complete an Opportunity Maine Contract or cannot locate it, you will need to contact your college’s financial aid office so they can determine what the benchmark loan payment amount was for their institution for your year of graduation. The [Benchmark Loan Payment Request Form](#) can be completed and submitted to your school to solicit this information.

Claiming The Credit

Educational Opportunity Tax Credit Estimator

Type of Degree

Please Choose

Graduation Month

Please Choose

Graduation Day

Please Choose

Graduation Year

Please Choose

College or university from which you obtained the degree

Please Choose

Is above school located in Maine?

Please Choose

Did you graduate with a qualifying STEM degree? See the list of qualifying degrees [here](#).

Please Choose

Name of Degree as it Appears on Diploma

ex: Bachelor of Science

- Dropdowns will pre-fill worksheet

Works for ME ✓

Claiming The Credit

Did you graduate with a qualifying STEM degree? See the list of qualifying degrees [here](#).

Please Choose



- You will be asked if you graduated with a qualifying STEM Degree.
- Links to ME Revenue Services list of degrees by college/university

STEM = Science, Technology, Engineering or Math

- EOTC becomes fully-refundable income tax credit for STEM degrees
- For full list of qualified STEM degrees, visit www.maine.gov/revenue/forms/credits/eotc%20stem.htm
- Average STEM refund amount in 2014 was **\$1,889**

Claiming The Credit



[HOME](#)

Bachelor of Science

1. Monthly Benchmark Loan Payment

344

The monthly eligible loan payment due is the actual payment due each month, most likely from your monthly bill or statement. Enter only the required amount due. If the monthly amount due varied during the year, add each monthly amount due and divide by 12 for the average amount due each month.

2. Enter the monthly eligible loan payment DUE during 2014 tax year

3. Enter the monthly eligible loan payment PAID during 2014 tax year

What Loans Qualify?

- Only education loans certified by an accredited Maine college or university that are made in the student's name are eligible.
- Refinanced education loans may also be eligible as long as the refinanced loan remains separate from any other debt incurred.
- Parent loans are NOT eligible, but private loans co-signed by a parent would qualify.

What Payments Qualify?

- Payments on certified education loans must be made by eligible graduates directly to the lender.
- Only student loan payments made while individual was a resident of Maine working for a Maine employer qualify.
- Payments in excess of the benchmark loan payment or the required loan payment are NOT eligible.

How to Claim

The EOTC Tax Estimator will:

- Prefill many answers
- Generate printed PDF of the EOTC worksheet

9. Divide line 7 by line 8
0.75

10. If you completed lines 7, 8 and 9, enter the amount from line 6.
2572.50

Were all credits for your degree earned in the year?
Yes

11. Adjustment for transferring student status
1

Estimated 2014 non-refundable Maine EOTC credit
2572.50

Estimated 2014 refundable Maine EOTC credit
0

[Generate a PDF](#)

Printing the EOTC Tax Credit Worksheet

Please Note: The data you enter into this form is not saved or stored by Opportunity Maine in any way. Your social security number must be added to the form before it is submitted to the Maine Revenue Services. If you choose not to enter it digitally, you must enter it in writing. You also may need to add information in line 13 regarding carrying forward unused credit from previous years.

Your Full Name:
Mickey Mouse


Social Security Number:
9999999999

[Generate PDF](#)

Maine Revenue Services may request supporting documentation including, but not limited to, the following: a copy of your college transcript, proof of the educational loans that qualify for the credit, proof of the educational loan payments made by you or your employer during the year.

How to Claim

Print out and submit your worksheet with your Maine state income tax return



2014 Educational Opportunity Tax Credit Worksheet

for Maine Resident & Part-year Resident Individuals
36 M.R.S. § 5217-D

IMPORTANT NOTE: You cannot use this worksheet if your employer paid part or all of your education loan payments directly to the lender. See instructions.

Your name: Mickey Mouse Social security number: 9999999999

A. Check the type of degree you received: Bachelor's Associate's Date you graduated: 5 / 9 / 2011

B. College or university from which you obtained the degree: College of the Atlantic
Name of degree as it appears on your diploma: Bachelor of Science

C. Check here if this is a degree in Science, Technology, Engineering or Mathematics ("STEM") (see instructions):

1. Enter the monthly benchmark loan payment (see instructions).....1. \$	<u>344</u>
2. Enter the monthly eligible education loan payment <u>due</u> during your 2014 tax year.....2. \$	<u>500</u>
3. Enter the monthly eligible education loan payment amount you <u>paid</u> during your 2014 tax year...3. \$	<u>500</u>
4. Enter the smallest of lines 1, 2 and 3.....4. \$	<u>344</u>
5. a. Enter the number of months* during the tax year you were a Maine resident.....5a.	<u>12</u>
b. With respect to the months on line a, enter the number of months* you worked for an employer located in Maine or were deployed for military service in the U.S. Armed Forces5b.	<u>12</u>
c. With respect to the months on line b, enter the number of months* you made eligible education loan payments5c.	<u>12</u>
* Count any part of a month as a whole month.	
6. Gross Credit. Multiply line 4 by line 5c6. \$	<u>4128</u>
Note: If all credit hours for your degree were earned after 2007, skip lines 7, 8 and 9 and enter the amount from line 6 on line 10.	
7. Enter the number of credit hours you earned toward your degree after December 31, 20077.	<u>75</u>

Works for ME 

Will I need to provide supporting documentation for EOTC?

- Maine Revenue Services will contact you if they require additional info including, but not limited to:
 - Copy of your college transcript
 - Proof of qualifying education loans
 - Proof of loan payments made during tax year

Do I need an Opportunity Maine Contract?

- **No**, if 2008 or 2009 graduate and didn't complete/can't locate Opportunity Maine Contract, contact college FinAid office to request benchmark loan payment amount for your year of graduation.
- **OR** call Maine Revenue Services at 207-626-8475 to request benchmark amount for your year of graduation, the college or university attended, and the type of degree you received.

Do you have to be a Maine resident to qualify?

- **Yes**, must be registered to vote in Maine or occupy a dwelling in Maine.
- After graduation, must work for an employer located in Maine and reside in Maine or maintain a permanent residence in Maine (spend in more than 183 days of the taxable year in Maine) unless deployed for U.S. military.

Can I qualify if I don't finish my degree?

- **No**, you must successfully complete/earn either an associate or a bachelor's degree from an accredited Maine college or university.

Do I qualify if I transferred to a Maine college?

- **Yes.** May have earned up to 30 credit hours of coursework toward degree at non-Maine college/university prior to transferring to Maine college/university after 12/31/12, if credit hours were earned after 2007.
 - EOTC amount 75% for transferred BA degree
 - EOTC amount 50% for transferred AS degree

Do I need to be a full-time student?

- **No.** Part-time students are eligible, and get the same benefits as full-time students.
- Credit amount received is based on year of graduation, degree type, and amount of eligible education loan payments paid to lender for months individual was a Maine resident working for a Maine employer during a tax year.

What if my monthly student loan payment is less than the benchmark payment?

- The monthly amount eligible for the credit is limited to the lesser of:
 - Monthly benchmark loan payment,
 - Monthly eligible education loan payment due,
 - Or monthly eligible education loan payment amount paid.

Can I file for EOTC retroactively?

- **Yes**, individuals can submit amended tax returns up to 3 years back.
- Unused credits can be carried forward up to 10 years.

- Offers businesses unique way to retain/attract quality employees by assisting them in reducing burden of their student loan debt
- Distinctive perk can be offered at very low/no cost due to tax credits they'll receive through the program
- Claim the EOTC for payments made directly to lender on behalf of employee, as long as the employee meets eligibility criteria.

Changes to EOTC beginning on or after January 1, 2015

- Eliminates the requirement that an individual work for an **employer located in Maine**
 - Must live in Maine at least 9 months out of the year
- Eligibility expanded to **self-employed** individuals making eligible payments on education loans obtained for an associate or bachelor's degree

<http://www.maine.gov/revenue/rules/legischange15.pdf>

Works for ME ✓

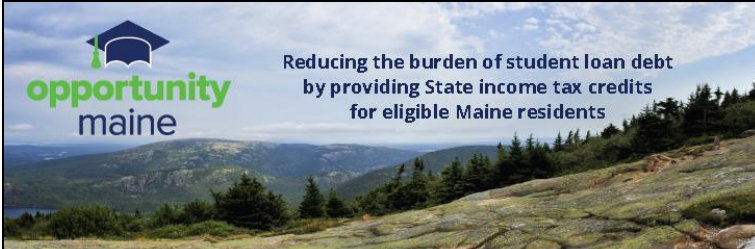
For **tax year 2016**, EOTC will expand to include:

- Eligibility for graduate degrees earned after 2015 from Maine institutions
- Eligibility for degrees earned after 2015 at accredited non-Maine colleges/universities
 - Must live & work in ME
- Associate degrees are considered refundable

<http://www.maine.gov/revenue/rules/legischange15.pdf>

- Great service offered to alumni
 - Use as part of your default prevention program
 - Send reminders to students in repayment as part of alumni development
 - Include as part of exit counseling
 - Post about in social media during tax time
 - Literature available

Promoting to students




opportunity maine

Reducing the burden of student loan debt by providing State income tax credits for eligible Maine residents

COLLEGE AFFORDABILITY PROGRAM FOR MAINERS


The Educational Opportunity Tax Credit (EOTC) can provide significant state income tax savings for eligible Maine residents that graduated with an associate's or bachelor's degree from an accredited Maine college or university and continue to live and work in the state.



SUBSTANTIAL INCOME TAX CREDITS



Eligible individuals can qualify for substantial Maine income tax credits:

- Over \$4,000 a year for a bachelor's degree and nearly \$800 a year for an associate's degree.
- Credit amount is based on year of graduation, type of degree and student loan payments made.





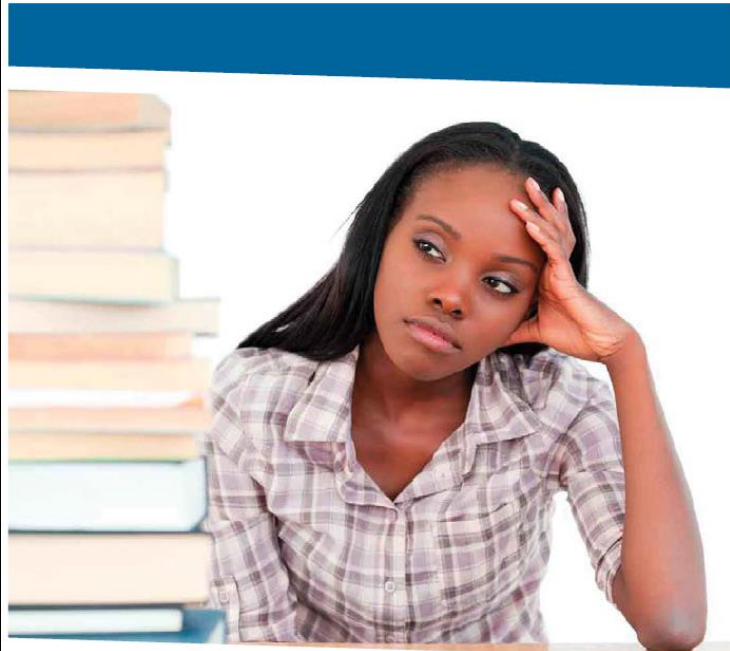
EASY TO CLAIM

- Visit www.opportunitymaine.org to review complete eligibility requirements and program details.
- Fill out and submit the Educational Opportunity Tax Credit Worksheet when you file your Maine income tax return.


www.opportunitymaine.org
800-922-6352


 



HIGHER EDUCATION TAX BENEFITS

▶ 2014 TAX YEAR

 **NASFAA RESOURCES**

 **NASFAA**
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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Questions?



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**Next month's
Wednesday Webinar:**

**Filing the 2016-2017 FAFSA
What You Need to Know**

January 13, 2016

10:00am – 11:00am

FAMEmaine.com

Finance Authority of Maine

5 Community Dr, PO Box 949, Augusta, ME 04332

1-800-228-3734 or 207-626-2717

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Opportunity Maine

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