

# HEALTH REPORT

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## TAX CREDITS FOR WELLNESS PROGRAMS MAY SOON BE ENJOYED BY MAINE EMPLOYERS

The legislature for the state of Maine will soon be considering an offer of tax breaks to companies that incorporate wellness programs in the workplace. The bill, AD 2059 known as “An Act to Establish a Wellness Tax Credit,” was introduced last December and is now on its way to the full state legislature for discussion and a vote.

The bill has been introduced by Rep. Jayne Crosby Giles of Belfast. She serves on the Legislature’s Appropriations and Financial Affairs Committee. The bill offers employers an annual tax break at a specified amount for each participant in a wellness program. The bill aims to encourage better wellness choices for the people of Maine by improving the health of workers and their families, plus reduce the amount of money spent on healthcare.

The summary statement for Bill AD 2059 reads as follows: “This bill provides a tax credit to employers for the expense of developing, instituting and maintaining wellness programs for their employees in the amount of \$100 per employee, up to a maximum of \$10,000. A wellness program includes programs for behavior modification, such as smoking cessation programs, equipping and maintaining an exercise facility and providing incentive awards to employees who exercise regularly.” If passed, the tax credit will be implemented on Jan. 1, 2009.

Legislators already know that Maine currently ranks 2nd highest in the nation in personal healthcare spending (calculated as a percentage of Gross State Product). Also, Maine residents spend a higher percentage of their income on healthcare than those of 45 other states. Additionally, Maine has the highest rates of chronic diseases in New England including cancer, diabetes and heart and lung disease. These diseases alone account for 75 percent of the money spent on healthcare annually in Maine. Recent figures going back to 2005 put that cost at \$8.2 billion per year.

The bill provides numerous ways for employers to qualify for a tax break by offering wellness programs. The bill defines a “wellness program” as “a program instituted by an employing unit that improves employee health, morale and productivity.” Included are offering health education, behavior change and smoking cessation programs; providing time during the day for exercise; and equipping and maintaining an exercise area for employees. It can also include equipping and registering an athletic team made up of employees for league play, providing membership in a health club or gym, and offering incentive awards to employees who engage in regular physical activity.

Favorable comment in committee has allowed the bill to continue forward for further discussion and a vote in full legislative session.