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An Act To Provide Ongoing Funding for the Historic Preservation Tax Credit

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

Sec. 1. 36 MRSA §1951-A, sub-§3 is enacted to read:

3. Report by rehabilitated historic property retailer. Notwithstanding subsection 1, a historic property retailer is subject to the reporting requirements of this subsection.

A. As used in this subsection, the following terms have the following meanings.

(1) "Historic property" means a certified historic structure or mill that was renovated and for which the renovator received the credit for the rehabilitation of that historic structure or mill pursuant to section 5219-R.

(2) "Historic property retailer" means a retailer located in a historic property.

B. On or before the 15th day of each month, a historic property retailer shall file with the State Tax Assessor a return made under the penalties of perjury on a form prescribed by the assessor. The return must report the total sale price of all sales made during the preceding calendar month at that historic property retailer's site located at the historic property and such other information as the assessor requires. The assessor may permit the filing of returns other than monthly. The assessor, by routine technical rule, as defined in Title 5, chapter 375, subchapter 2-A, may waive reporting nontaxable sales. Upon application of a historic property retailer, the assessor shall issue a classified permit establishing the percentage of exempt sales. The classified permit may be amended or revoked if the assessor determines that the percentage of exempt sales is inaccurate. The assessor may for good cause extend for not more than 30 days the time for filing returns required under this Part. Every person subject to the use tax shall file similar returns, at similar dates, and pay the tax or furnish a receipt for the same from a historic property retailer.

C. The assessor shall certify to the State Controller by the 15th day of each month the amounts collected under this subsection as of the close of the State Controller's records for the previous month.

Sec. 2. 36 MRSA §5219-R, sub-§4 is enacted to read:

4. Funding. The credit provided pursuant to this section must be funded using sales tax revenue generated by historic property retailers and reported to the State Tax Assessor pursuant to section 1951-A, subsection 3 and income tax paid by employees of historic property retailers, as determined by the State Tax Assessor pursuant to section 5291. For purposes of this subsection, "historic property retailer" has the same meaning as in section 1951-A, subsection 3, paragraph A.

Sec. 3. 36 MRSA §5291 is enacted to read:

§ 5291. Determination of income tax generated by historic property employer

1. Definitions. As used in this section, the following terms have the following meanings.

A. "Historic property" means a certified historic structure or mill that was renovated and for which the renovator received the credit for the rehabilitation of that historic structure or mill pursuant to section 5219-R.

B. "Historic property retailer" means a retailer located in a historic property.

2. Report. The State Tax Assessor shall certify to the State Controller annually by June 15th the amount of net Maine income tax collected from an employee of a historic property retailer for the immediately prior tax year.

3. Rulemaking. The State Tax Assessor shall adopt routine technical rules, as defined in Title 5, chapter 375, subchapter 2-A, to implement the requirements of this section, which may include requiring historic property retailers to register with the bureau for purposes of identification as historic property retailers.

SUMMARY

This bill provides a source of funding for the income tax credit provided to persons who rehabilitate historic properties by earmarking for the credit all sales tax revenue generated at such rehabilitated properties and all income tax paid by persons employed at those rehabilitated properties.