



131st MAINE LEGISLATURE

LD 1918

LR 2501(02)

An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Innovation, Development, Economic Advancement and Business

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$4,422,249	\$53,003,694	\$53,480,833
Appropriations/Allocations				
General Fund	\$0	\$0	\$234,008	\$126,731
Revenue				
General Fund	\$0	(\$4,422,249)	(\$52,769,686)	(\$53,354,102)
Other Special Revenue Funds	\$0	(\$232,751)	(\$2,777,352)	(\$2,808,111)

Fiscal Detail and Notes

This bill creates the Dirigo business incentives program which provides refundable tax credits to qualified businesses for tax years beginning on or after January 1, 2025. Initial impacts on revenue are expected in fiscal year 2024-25 as taxpayers adjust estimated payments in April 2025 and June 2025, with a decrease of \$4,422,249 in General Fund revenue and a corresponding decrease of \$232,751 in Local Government Fund revenue in that year. Considerably larger ongoing revenue impacts of the bill are anticipated beginning in fiscal year 2025-26, with a decrease in General Fund revenue of approximately \$53,000,000 per year and a corresponding decrease in Local Government Fund revenue of \$2,800,000 per year.

The Department of Administrative and Financial Services, Bureau of Revenue Services will require a one-time General Fund appropriation of \$139,500 in fiscal year 2025-26 for computer programming and related administrative costs to implement the incentive program. The bureau will also require ongoing General Fund appropriations beginning in fiscal year 2025-26 for one Senior Tax Examiner position, effective October 1, 2025, to process income tax returns and perform desk audits related to the incentive program.

Additional costs to the Department of Economic and Community Development to implement the provisions of this legislation can be absorbed within existing budgeted resources.