

128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document No. 1654

S.P. 611

In Senate, November 29, 2017

An Act To Protect Economic Competitiveness in Maine by Extending the End Date for Pine Tree Development Zone Benefits

Submitted by the Department of Economic and Community Development pursuant to Joint Rule 203.

Received by the Secretary of the Senate on November 27, 2017. Referred to the Committee on Labor, Commerce, Research and Economic Development pursuant to Joint Rule 308.2 and ordered printed.

Heath & Print

HEATHER J.R. PRIEST Secretary of the Senate

Presented by Senator JACKSON of Aroostook. Cosponsored by Representative FREDETTE of Newport and Senator: CUSHING of Penobscot, Representatives: HARRINGTON of Sanford, MARTIN of Eagle Lake, PICCHIOTTI of Fairfield, STANLEY of Medway. 1 Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA §5250-J, sub-§5, as repealed and replaced by PL 2009, c.
 461, §22, is amended to read:

5. Termination. A qualified Pine Tree Development Zone business located in a tier location may not be certified under this subchapter after December 31, 2018 2023, and a qualified Pine Tree Development Zone business located in a tier 2 location may not be certified under this subchapter after December 31, 2013. All Pine Tree Development Zone benefits provided under this subchapter are terminated on December 31, 2028 2033.

- 9 Sec. 2. 35-A MRSA §3210-E, sub-§6, as enacted by PL 2009, c. 627, §5 and
 10 affected by §12, is amended to read:
- 11 **6. Repeal.** This section is repealed December 31, 2028 2033.

12 Sec. 3. 36 MRSA §1760, sub-§87, as amended by PL 2011, c. 285, §5, is further 13 amended to read:

14 87. Sales of tangible personal property and transmission and distribution of electricity to qualified development zone businesses. Beginning July 1, 2005, sales of 15 tangible personal property, and of the transmission and distribution of electricity, to a 16 qualified Pine Tree Development Zone business, as defined in Title 30-A, section 5250-I, 17 18 subsection 17, for use directly and primarily in one or more qualified business activities, 19 as defined in Title 30-A, section 5250-I, subsection 16. The exemption provided by this 20 subsection is limited for each qualified Pine Tree Development Zone business to sales 21 occurring within a period of 10 years in the case of a business located in a tier 1 location, 22 as defined in Title 30-A, section 5250-I, subsection 21-A, and 5 years in the case of a 23 business located in a tier 2 location, as defined in Title 30-A, section 5250-I, subsection 24 21-B, from the date the business is certified pursuant to Title 30-A, section 5250-O or 25 until December 31, 2028 2033, whichever occurs first. As used in this subsection, "primarily" means more than 50% of the time during the period that begins on the date on 26 27 which the property is first placed in service by the purchaser and ends 2 years from that 28 date or at the time the property is sold, scrapped, destroyed or otherwise permanently 29 removed from service by the purchaser, whichever occurs first.

30 Sec. 4. 36 MRSA §2016, sub-§4, ¶A, as amended by PL 2009, c. 627, §7 and affected by §12, is further amended to read:

32 A. Reimbursements made by the assessor pursuant to this section are limited to taxes 33 paid in connection with sales of tangible personal property that occur within a period 34 of 10 years in the case of a qualified Pine Tree Development Zone business located in 35 a tier 1 location, as defined in Title 30-A, section 5250-I, subsection 21-A, and 5 years in the case of a qualified Pine Tree Development Zone business located in a tier 36 37 2 location, as defined in Title 30-A, section 5250-I, subsection 21-B, from the date the qualified Pine Tree Development Zone business receiving the property is certified 38 39 pursuant to Title 30-A, section 5250-O or by December 31, 2028 2033, whichever 40 occurs first.

- 1 Sec. 5. 36 MRSA §2529, sub-§3, as amended by PL 2009, c. 627, §9, is further 2 amended to read:
- 3. Limitation. The credit provided by this section may not be claimed for calendar
 4 years beginning on or after January 1, 2029 2034.
- 5 Sec. 6. 36 MRSA §5219-W, sub-§4, as amended by PL 2009, c. 627, §11, is 6 further amended to read:
- 4. Limitation. The credit provided by this section may not be claimed for tax years
 beginning on or after January 1, 2029 2034.
- 9 Sec. 7. 36 MRSA §6754, sub-§1, ¶D, as amended by PL 2011, c. 240, §44, is
 10 further amended to read:

D. For qualified Pine Tree Development Zone employees, as defined in Title 30-A, 11 12 section 5250-I, subsection 18, employed directly in the qualified business activity of 13 a qualified Pine Tree Development Zone business, as defined in Title 30-A, section 14 5250-I, subsection 17, for whom a certificate of qualification has been issued in accordance with Title 30-A, section 5250-O, the reimbursement under this subsection 15 is equal to 80% of Maine income tax withheld each year for which reimbursement is 16 17 requested and attributed to those qualified employees for a period of no more than 10 18 years for a tier 1 location as defined in Title 30-A, section 5250-I, subsection 21-A and no more than 5 years for a tier 2 location as defined in Title 30-A, section 5250-I, 19 20 subsection 21-B. Reimbursement under this paragraph may not be paid for years 21 beginning after December 31, 2028 2033.

SUMMARY

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This bill extends by 5 years the end date for Pine Tree Development Zone certification and benefits.