Maine Revised Statutes

Title 36: TAXATION

Chapter 822: TAX CREDITS

§5216-B. SEED CAPITAL INVESTMENT TAX CREDIT

1. **Definitions.** As used in this section, unless the context indicates otherwise, the following terms have the following meanings.

A. "Certificate" means a tax credit certificate issued by the Finance Authority of Maine pursuant to Title 10, chapter 110, subchapter IX. [1987, c. 854, §§4, 5 (NEW).]

B. "Investment" means an investment for which a certificate has been received. [1987, c. 854, §§4, 5 (NEW).]

C. "Investor" means a taxpayer or private venture capital fund that has received a certificate. [2011, c. 454, §14 (AMD).]

D. "Private venture capital fund" has the same meaning as under Title 10, section 1100-T, subsection 1-A. [2011, c. 454, §15 (NEW).]

[2011, c. 454, §§14, 15 (AMD) .]

2. **Credit.** An investor is entitled to a credit against the tax otherwise due under this Part equal to the amount of the tax credit certificate issued by the Finance Authority of Maine in accordance with Title 10, section 1100-T and as limited by this section. Except with respect to tax credit certificates issued under Title 10, section 1100-T, subsection 2-C, in the case of partnerships, limited liability companies, S corporations, nontaxable trusts and any other entities that are treated as flow-through entities for tax purposes under the Code, the individual partners, members, stockholders, beneficiaries or equity owners of such entities must be treated as the investors under this section and are allowed a credit against the tax otherwise due from them under this Part in proportion to their respective interests in those partnerships, limited liability companies, S corporations, trusts or other flow-through entities. Except as limited or authorized by subsection 3 or 4, 25% of the credit must be taken in the taxable year in which the investment is made and 25% per year must be taken in each of the next 3 taxable years. With respect to tax credit certificates issued under Title 10, section 1100-T, subsection 2-C, the credits are fully refundable and the investor shall file a return requesting a refund for an investment for which it has received a tax credit certificate in the calendar year following the calendar year during which the investment was made.

[2015, c. 300, Pt. A, §41 (AMD) .]

3. **Limitation.** With respect to tax credit certificates issued under Title 10, section 1100-T, subsection 2 or 2-A, the amount of the credit allowed under this section for any one taxable year may not exceed 50% of the tax imposed by this Part on the investor for the taxable year before application of the credit.

[2011, c. 454, §17 (AMD) .]

4. **Carry forward.** Credits not taken because of the limitation in subsection 3 shall be taken in the next taxable year in which the credit may be taken, provided that the limitation of subsection 3 shall also apply to the carry-forward years. In no case may this carry-forward period exceed 15 years.

[1987, c. 854, §§4, 5 (NEW) .]

5. **Recapture.** In the event that the Finance Authority of Maine revokes a certificate, there must be added to the tax imposed on the investor under this Part for the taxable year in which the revocation occurs an amount equal to the total amount of credit authorized and revoked minus the amount of credit not yet taken.

[2011, c. 454, §18 (AMD) .]

SECTION HISTORY
1987, c. 854, §§4,5 (NEW). 1999, c. 752, §4 (AMD). 2001, c. 446, §4 (AMD). 2001, c. 446, §6 (AFF). 2001, c. 642, §11 (AMD). 2001, c. 642, §12 (AFF). 2003, c. 20, §X6 (AMD). 2003, c. 451, §E8 (AMD). 2011, c. 454, §§14-18 (AMD). 2013, c. 438, §6 (AMD). 2015, c. 300, Pt. A, §41 (AMD).

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