



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 229

S.P. 97

In Senate, January 27, 2021

### **An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program**

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Received by the Secretary of the Senate on January 25, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator FARRIN of Somerset.  
Cosponsored by Representative DUCHARME of Madison and  
Senators: CURRY of Waldo, MIRAMANT of Knox, POULIOT of Kennebec, Representative:  
TERRY of Gorham.

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

2 **Sec. 1. 10 MRSA §1100-T, sub-§2, ¶C**, as amended by PL 2019, c. 616, Pt. LL,  
3 §2, is further amended to read:

4 C. Aggregate investment eligible for tax credits may not be more than \$5,000,000 for  
5 any one business as of the date of issuance of a tax credit certificate. Beginning with  
6 investments made on or after April 1, ~~2020~~ 2021, aggregate investment eligible for tax  
7 credits may not be more than ~~\$3,500,000~~ \$6,000,000 for any one business as of the  
8 date of issuance of a tax credit certificate and not more than ~~\$2,000,000~~ \$3,000,000 for  
9 any calendar year.

10 **Sec. 2. 10 MRSA §1100-T, sub-§2-C, ¶C**, as amended by PL 2019, c. 616, Pt.  
11 LL, §7, is further amended to read:

12 C. Aggregate investment eligible for tax credit certificates, including investments  
13 under this subsection and under subsection 2, may not be more than \$5,000,000 for any  
14 one eligible business. Beginning with investments made on or after April 1, ~~2020~~ 2021,  
15 aggregate investment eligible for tax credit certificates, including investments under  
16 this subsection and under subsection 2, may not be more than ~~\$3,500,000~~ \$6,000,000  
17 for any one eligible business in total and not more than ~~\$2,000,000~~ \$3,000,000 for any  
18 calendar year.

19 **Sec. 3. 10 MRSA §1100-T, sub-§2-C, ¶D**, as amended by PL 2019, c. 616, Pt.  
20 LL, §8, is further amended to read:

21 D. The investment with respect to which any private venture capital fund is applying  
22 for a tax credit certificate may not be more than the lesser of an amount equal to  
23 \$500,000 times the number of investors in the private venture capital fund and an  
24 aggregate of \$4,000,000 in any one eligible business invested in by a private venture  
25 capital fund in any 3 consecutive calendar years. For investments made on or after  
26 April 1, ~~2020~~ 2021, the investment with respect to which any private venture capital  
27 fund is applying for a tax credit certificate may not be more than the lesser of an amount  
28 equal to \$500,000 times the number of investors in the private venture capital fund and  
29 an aggregate of ~~\$3,500,000~~ \$6,000,000 in any one eligible business invested in by a  
30 private venture capital fund. This paragraph does not limit other investment by an  
31 applicant for which that applicant is not applying for a tax credit certificate. A private  
32 venture capital fund must certify to the authority that it will be in compliance with these  
33 limitations. The tax credit certificate issued to a private venture capital fund may be  
34 revoked and any credit taken recaptured pursuant to Title 36, section 5216-B,  
35 subsection 5 if the fund is not in compliance with this paragraph.

36 **SUMMARY**

37 This bill increases the annual cap on eligible investment in any one business eligible  
38 for the seed capital tax credit from \$2,000,000 to \$3,000,000 and the aggregate cap on  
39 eligible investment in any one eligible business from \$3,500,000 to \$6,000,000.