

## 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

**Legislative Document** 

No. 730

S.P. 281

In Senate, March 5, 2021

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

Received by the Secretary of the Senate on March 3, 2021. Referred to the Committee on Innovation, Development, Economic Advancement and Business pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator DAUGHTRY of Cumberland.

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

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- **Sec. 1. 30-A MRSA §5250-J, sub-§5,** as amended by PL 2017, c. 440, §3, is further amended to read:
- **5. Termination.** A qualified Pine Tree Development Zone business located in a tier 1 location may not be certified under this subchapter after December 31, 2024 2024, 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, 2034 2034.
- **Sec. 2. 35-A MRSA §3210-E, sub-§6,** as amended by PL 2017, c. 440, §6, is further amended to read:
  - **6. Repeal.** This section is repealed December 31, 2031 2034.
- **Sec. 3. 36 MRSA §1760, sub-§87,** as amended by PL 2017, c. 440, §7, is further amended to read:
- 87. Sales of tangible personal property and transmission and distribution of electricity to qualified development zone businesses. Beginning July 1, 2005, sales of tangible personal property, and of the transmission and distribution of electricity, to a qualified Pine Tree Development Zone business, as defined in Title 30-A, section 5250-I, subsection 17, for use directly and primarily in one or more qualified business activities, as defined in Title 30-A, section 5250-I, subsection 16. The exemption provided by this subsection is limited for each qualified Pine Tree Development Zone business to sales occurring within a period of 10 years in the case of a business located in a tier 1 location, as defined in Title 30-A, section 5250-I, subsection 21-A, and 5 years in the case of a business located in a tier 2 location, as defined in Title 30-A, section 5250-I, subsection 21-B, from the date the business is certified pursuant to Title 30-A, section 5250-O or until December 31, 2031 2034, whichever occurs first. For a business that applies for certification as a qualified Pine Tree Development Zone business with the Commissioner of Economic and Community Development on or after January 1, 2019, the exemption provided by this subsection requires a qualified Pine Tree Development Zone business to obtain a certificate of qualification issued by the Commissioner of Economic and Community Development pursuant to Title 30-A, section 5250-O. As used in this subsection, "primarily" means more than 50% of the time during the period that begins on the date on which the property is first placed in service by the purchaser and ends 2 years from that date or at the time the property is sold, scrapped, destroyed or otherwise permanently removed from service by the purchaser, whichever occurs first.
- **Sec. 4. 36 MRSA §2016, sub-§4, ¶A,** as amended by PL 2017, c. 440, §10, is further amended to read:
  - A. Reimbursements made by the assessor pursuant to subsection 2, paragraph A are limited to taxes paid in connection with sales of tangible personal property that occur within a period of 10 years in the case of a qualified Pine Tree Development Zone business located in 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 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 pursuant to Title 30-A, section 5250-O or by December 31, <del>2031</del> 2034, whichever occurs first.

- **Sec. 5. 36 MRSA §2529, sub-§3,** as amended by PL 2017, c. 440, §11, is further amended to read:
- **3. Limitation.** The credit provided by this section may not be claimed for calendar years beginning on or after January 1, 2032 2035.
- **Sec. 6. 36 MRSA §5219-W, sub-§4,** as amended by PL 2017, c. 440, §12, is 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, 2032 2035.
- **Sec. 7. 36 MRSA §6754, sub-§1, ¶D,** as amended by PL 2017, c. 440, §13, is further amended to read:
  - D. For qualified Pine Tree Development Zone employees, as defined in Title 30-A, section 5250-I, subsection 18, employed directly in the qualified business activity of a qualified Pine Tree Development Zone business, as defined in Title 30-A, section 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 is equal to 80% of Maine income tax withheld each year for which reimbursement is requested and attributed to those qualified employees for a period of no more than 10 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, subsection 21-B. Reimbursement under this paragraph may not be paid for years beginning after December 31, 2034 2034.

24 SUMMARY

This bill changes the date after which a qualified Pine Tree Development Zone business in a tier 1 location may not be certified from December 31, 2021 to December 31, 2024. It also changes the date that all Pine Tree Development Zone benefits are terminated from December 31, 2031 to December 31, 2034 and makes corresponding changes in several sections of law.