



# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1313

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S.P. 531

In Senate, March 23, 2023

**An Act to Amend the Tax Credit for Major Business Headquarters  
Expansions Regarding Employees' Location and Time of Hire for  
Purposes of the Credit**

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Submitted by the Department of Economic and Community Development pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested 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 GROHOSKI of Hancock.  
Cosponsored by Representative PERRY of Bangor.

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

2 **Sec. 1. 36 MRSA §5219-QQ, sub-§1, ¶C**, as enacted by PL 2017, c. 297, §2, is  
3 amended to read:

4 C. "Employees based in the State" means employees that perform more than 50% of  
5 employee-related activities for the employer at ~~the headquarters~~ a location in the State.

6 **Sec. 2. 36 MRSA §5219-QQ, sub-§3, ¶B**, as repealed and replaced by PL 2019,  
7 c. 401, Pt. D, §2, is amended by amending subparagraph (1) to read:

8 (1) A credit is not allowed for any tax year during which the taxpayer does not  
9 meet or exceed the following employment targets as measured on the last day of  
10 the tax year.

11 (a) For each of the first 10 tax years for which the credit is claimed, there must  
12 be a total of at least 80 additional full-time employees based in the State above  
13 the certified applicant's base level of employment whose jobs were added ~~since~~  
14 ~~the first day of the first tax year for which the credit was claimed~~ on or after  
15 January 1, 2018 multiplied by the number of years for which the credit has  
16 been claimed, including the tax year for which the credit is currently being  
17 claimed.

18 (b) For each tax year after the 10th tax year for which the credit is claimed,  
19 the taxpayer must employ a total of at least 800 additional full-time employees  
20 based in the State above the certified applicant's base level of employment  
21 whose jobs were added ~~since the first day of the first tax year for which the~~  
22 ~~credit was claimed~~ on or after January 1, 2018.

23 Jobs for additional full-time employees that are counted for determining eligibility  
24 for the credit under one certificate of completion may not be counted for  
25 determining eligibility for the credit under a separate certificate of completion. For  
26 purposes of this paragraph, "additional full-time employees" does not include  
27 employees who are shifted to a certified applicant's headquarters in the State from  
28 an affiliated business in the State. The commissioner shall determine whether a  
29 shifting of employees has occurred. For purposes of this paragraph, "affiliated  
30 business" has the same meaning as in section 6753, subsection 1-A.

31 **Sec. 3. 36 MRSA §5219-QQ, sub-§4, ¶A**, as repealed and replaced by PL 2019,  
32 c. 401, Pt. D, §3, is amended by amending subparagraph (5) to read:

33 (5) The average and median wages of all additional full-time employees above the  
34 certified applicant's base level of employment in the State whose jobs were added  
35 ~~since the first day of the first tax year for which the credit was claimed~~ on or after  
36 January 1, 2018; and

37 **Sec. 4. Retroactivity.** This Act applies retroactively to January 1, 2021.

38 **SUMMARY**

39 This bill amends the credit for major business headquarters expansions to allow  
40 employees working anywhere in the State, not just at the applicant's headquarters, to be  
41 counted as employees for purposes of the credit. The bill also changes the time for

1 determining the number of new employees added to January 1, 2018 or later; it is currently  
2 the first day of the first year for which the tax credit is claimed. The changes made in this  
3 bill are retroactive to January 1, 2021.