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Date: (Filing No. S- )

**INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE  
SENATE  
130TH LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 537, L.D. 1650, “An Act To Create the Small Business Capital Savings Account Program”

Amend the bill in section 1 in §13100-A in subsection 2 in paragraph A in the last line (page 1, line 12 in L.D.) by inserting after the following: "1986" the following: 'Sections 167 and 168'

Amend the bill in section 1 in §13100-A in subsection 2 in paragraph B by striking out all of subparagraph (3) (page 1, line 16 in L.D.) and inserting the following:

'(3) Is taxed as a C corporation, an S corporation, a partnership or a sole proprietorship for federal income tax purposes;'

Amend the bill in section 1 in §13100-A in subsection 2 by striking out all of paragraph D (page 1, lines 24 to 26 in L.D.) and inserting the following:

'D. "Small business capital savings account" means a savings account established in the State by an eligible small business at a financial institution insured by the Federal Deposit Insurance Corporation or a credit union insured by the National Credit Union Administration.'

Amend the bill in section 1 in §13100-A in subsection 4 in the first line (page 2, line 3 in L.D.) by inserting after the following: "**accounts**" the following: '**limitations**'

Amend the bill in section 1 in §13100-A in subsection 4 by inserting after paragraph D the following:

'Contributions to a small business capital savings account may be made beginning on or after January 1, 2021 and before January 1, 2025. No contributions may be made to a small business capital savings account after December 31, 2024.'

Amend the bill in section 1 in §13100-A by striking out all of subsection 9 (page 2, lines 40 and 41 in L.D.).

**COMMITTEE AMENDMENT**

1 Amend the bill in section 1 in §13100-A by striking out all of subsection 10 (page 2,  
2 lines 42 and 43 in L.D.).

3 Amend the bill by inserting after section 1 the following:

4 '**Sec. 2. 36 MRSA §191, sub-§2, ¶MMM** is enacted to read:

5 MMM. The disclosure of information to the Department of Economic and Community  
6 Development necessary for administration of the Small Business Capital Savings  
7 Account Program pursuant to Title 5, section 13100-A.'

8 Amend the bill in section 2 in paragraph PP in the 3rd line (page 3, line 4 in L.D.) by  
9 striking out the following: "tax years beginning" and inserting the following: 'withdrawals'

10 Amend the bill in section 2 in paragraph PP by striking out all of the first blocked  
11 paragraph (page 3, line 6 in L.D.)

12 Amend the bill by striking out all of section 3 and inserting the following:

13 '**Sec. 3. 36 MRSA §5122, sub-§2, ¶XX** is enacted to read:

14 XX. An amount up to \$250,000 in the tax year contributed to a small business capital  
15 savings account that meets the requirements established under Title 5, section  
16 13100-A, subsection 4 by an eligible small business certified by the Department of  
17 Economic and Community Development under Title 5, section 13100-A, subsection 3.  
18 This paragraph applies to contributions made on or after January 1, 2021 and before  
19 January 1, 2025.'

20 Amend the bill in section 4 in paragraph II in the 3rd line (page 3, line 17 in L.D.) by  
21 striking out the following: "tax years beginning" and inserting the following: 'withdrawals'

22 Amend the bill in section 4 in paragraph II by striking out all of the first blocked  
23 paragraph (page 3, line 19 in L.D.)

24 Amend the bill by striking out all of section 5 and inserting the following:

25 '**Sec. 5. 36 MRSA §5200-A, sub-§2, ¶JJ** is enacted to read:

26 JJ. An amount up to \$250,000 in the tax year contributed to a small business capital  
27 savings account that meets the requirements established under Title 5, section  
28 13100-A, subsection 4 by an eligible small business certified by the Department of  
29 Economic and Community Development under Title 5, section 13100-A, subsection 3.  
30 This paragraph applies to contributions made on or after January 1, 2021 and before  
31 January 1, 2025.

32 **Sec. 6. Appropriations and allocations.** The following appropriations and  
33 allocations are made.

34 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

35 **Revenue Services, Bureau of 0002**

36 Initiative: Provides one-time funding for computer programming costs.

37 <b>GENERAL FUND</b>	<b>2021-22</b>	<b>2022-23</b>
38 All Other	\$0	\$66,000
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40 GENERAL FUND TOTAL	\$0	\$66,000

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment, which is the majority report of the committee, does the following:

1. It clarifies that the definition of "capital expenditure" is from Sections 167 and 168 of the United States Internal Revenue Code of 1986;
2. It clarifies that a business taxed as a C corporation, S corporation, sole proprietorship or partnership for federal income tax purposes is an eligible small business;
3. It removes the reference to the definition of financial institution in the Maine Revised Statutes, Title 36, section 5206-D, subsection 8 and replaces it with the requirement that the small business capital savings account be established at a financial institution insured by the Federal Deposit Insurance Corporation or at a credit union insured by the National Credit Union Association;
4. It adds a new section to allow for the disclosure of information to the Department of Economic and Community Development necessary for the administration of the Small Business Capital Savings Account Program;
5. It adds that the start and end dates for contributions are on or after January 1, 2021 and before January 1, 2025;
6. It removes the repeal date for provisions regarding withdrawals not used for capital expenditures; and
7. It adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**  
**(See attached)**