

TAX WS 1/24/2024

TAXATION COMMITTEE
 131st LEGISLATURE
 1st REG SESSION

ABBREVIATIONS

COR Carry over requested by TAX

CO-T Carried over in TAX

SHADED LDs HAVE BEEN VOTED

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT ¹	
									FY24	FY25
643	1665	3/28	4/6 4/19	Terry	An Act to Promote Research and Development in the State by Increasing the Research Expense Tax Credit	<p>This bill <u>increases the research expense tax credit</u> by:</p> <ol style="list-style-type: none"> <u>increasing the amount of expenditures eligible for the credit,</u> <u>doubling the rate by which the credit is calculated from 5% to 10% of the excess of qualified research expenses over the base amount and from 7.5% to 15% of the base research payments under the IRC ,</u> <u>doubling the maximum amount of the credit that may be claimed from 100% of the corporation's first \$25,000 tax due to the first \$50,000 of tax due and 75% of the amount over \$50,000 and</u> <u>halving the base amount used to determine the credit from 100% to 50% of the average amount per year spent by the taxpayer on qualified research expenses over the previous 3 years .</u> <p>Unused credit that exceeds the tax due for the year may be carried over for up to 15 years.</p> <p>MRS notes:</p> <ol style="list-style-type: none"> Bill does not have application date Benefits highly concentrated on small number of large corps Consider 3/11/22 OPEGA report. 	4/6 not taken up 4/19/2023 tabled COR	CO-T	MRS estimates Admin costs: Marginal, absorbed Revenue loss(annual) \$7.5 million "Red book" estimate of revenue loss of current credit: FY 25 \$3,240,000	
			1/24			Bill needs to be coordinated with technical change made in PL 2023, c. 360, §B-11 Bill needs application date (1/1/24TYs?)				

¹ . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT ¹	
									FY24	FY25
1810	1684	5/9		Terry	An Act to Expand the Maine Historic Rehabilitation Credit and Establish a Weatherization Tax Credit	<p>This bill amends the IT credit for historic properties by :</p> <ol style="list-style-type: none"> <u>Increasing the tax credit from 25% to 30% of the certified qualified rehabilitation expenditures of a taxpayer for a certified historic structure if the taxpayer does not claim a credit under IRC, Section 47;</u> <u>Increasing the allowable certified qualified rehabilitation expenditures of a taxpayer from a maximum of \$250,000 to a maximum of \$1,000,000 for a certified historic structure if the taxpayer does not claim a credit under the IRC, Section 47;</u> <u>Increasing the increased tax credit for a certified affordable housing project from 30% to 35% of certified qualified rehabilitation expenditures for which a credit is claimed under the Code, Section 47; and</u> <u>Increasing the increased tax credit for a certified affordable housing project from 30% to 45% of certified qualified rehabilitation expenditures if the taxpayer does not claim a credit under the Code, Section 47.</u> The <u>bill establishes a credit for rehabilitation and weatherization of historic homes equal to 25% of the qualified exterior rehabilitation expenditures of a taxpayer who incurs at least \$5,000 and not more than \$62,500 in expenditures for a certified historic home. It also provides for an increased credit of 30% of expenditures up to \$75,000 under certain circumstances.</u> It requires the Director of Maine 	COR	CO-T	MRS estimates	Admin costs \$33,000 Revenue impact Not yet available

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT ¹	
									FY24	FY25
						<p>Historic Rehabilitation Commission to determine eligibility.</p> <p>6. . The bill <u>adds the credit for rehabilitation and weatherization of historic homes to the biennial report that the Maine Historic Preservation Commission provides to the Legislature</u></p>				
			1/24/24			<p>Proposed amendment provided by Maine Preservation (Tara Kelly) 5/9/23 testimony</p> <ul style="list-style-type: none"> • Sponsor indicates bill is in response to OPEGA evaluation • MRS identifies many administrative concerns • Needs application date • Sec. 6 of bill inconsistency • Clarification of year credit may first be claimed (placed in service) • Other technical changes for credit to be administrable. 				
			1/24/24							