



JANET T. MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT

MAINE.

ECONOMIC & COMMUNITY
DEVELOPMENT

HEATHER JOHNSON
COMMISSIONER

March 11, 2025

Jerome Gerard, State Tax Assessor
Maine Revenue Services
State House Station #24
Augusta, Maine 04333-0024

Honorable Nicole Grohoski, Senate Chair
Honorable Kristen Cloutier, House Chair
Committee on Taxation
100 State House Station, Room 127
Augusta, Maine 04333

RE: CY2024 Tax Credit for Maine Shipbuilding Facility Investment Program

Dear Mr. Gerard, Senator Grohoski, Representative Cloutier and members of the Taxation Committee:

Title 36 §5219-RR directs the Department of Economic and Community Development to submit to the State Tax Assessor and the joint standing committee of the legislature with jurisdiction over tax matters a copy of the annual report submitted by an applicant certified under the Tax Credit for Maine Shipbuilding Facility Investment Program. Certified applicants are required to submit their annual report to DECD by March 1st.

At this time, Bath Iron Works (BIW) is the only applicant certified under the Tax Credit for Maine Shipbuilding Facility Investment Program and submitted their report to DECD on February 24, 2025. BIW has reached the \$200M cap of total qualified investment to be claimed under Title 36 §5219-RR. Investment over \$200M reported as "qualifying investment" is not the basis for the credit.

The following information is required by statute to be provided in that report:

- The number of qualified employees that are employed by the certified applicant at the end of the report year;
- The total number of qualified employees hired during the report year;
- The number of qualified employees in positions that are covered by a collective bargaining agreement;
- The total dollar amount of payroll associated with employment in the report year, including specific information on:
 - The average annual salary and wages for qualified employees; and

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- The incremental level of qualified investments made during the report year, including specific information on:
 - The amount of qualified investment in facility, production equipment and employee training and development, reported as an aggregate sum;
 - The portion of the qualified investment reported under subparagraph (a) that was spent on goods and services from businesses with an office in the State from which business operations in the State are managed; and
 - Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B.

Additional information requested by DECD is an attestation of compliance with the provision in Title 36 §5219-RR(8) and §5219-RR(1)(H).

BIW provided this information in the document that is attached to this letter.

Please contact Shae McGehee, DECD's Economic Development Incentives Manager, if you have any questions regarding this report.

Sincerely,

Heather Johnson
Commissioner

Attachment: Bath Iron Works CY2024 Annual Report

cc: Shae McGehee, Economic Development Incentives Manager, DECD
Michael Allen, Associate Commissioner of Tax Policy, MRS

MAINE REVENUE SERVICES
MAINE SHIPBUILDING FACILITY INVESTMENT CREDIT
Maine Revenue Section 5219-RR

9(A). ANNUAL REPORTING REQUIREMENT FOR CALENDAR YEAR ENDING:

12/31/2024

EMPLOYMENT -

(1) Employment of the certified applicant for the report year:

"Employment" means the amount determined by adding the total number of qualified employees of a certified applicant on each of 6 consecutive measurement days of that tax year as chosen by the certified applicant and then dividing that sum by 6.

"Measurement day" means the last business day of every other month of a tax year.

	Date	Number of qualified employees
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5	10/31/2024	6,277
6	12/31/2024	6,198
Total periods		37,591
		/6
Employment:		6,265

1(a) the number of qualified employees that are employed by the certified applicant at the end of the report year;

6,198

1(b) the total number of qualified employees hired during the report year; and

458

1(c) the number of qualified employees in positions that are covered by a collective bargaining agreement;

4,730

PAYROLL -

(2) The total dollar amount of payroll associated with employment in the report year, including specific information on;

\$ 481,708,669

2(a) The average annual salary and wages for qualified employees; and

\$ 75,409

2(b) The median annual salary and wages for qualified employees;

\$ 67,496

GOODS AND SERVICES -

(3) The total dollar amount that was spent on goods and services obtained from business with an office in the State from which business operations in the State are managed; and

\$ 110,629,213

QUALIFIED INVESTMENT -

(4) The incremental level of qualified investments made during the report year:

\$ 62,386,886

4(a) The amount of qualified investment in facility, production equipment and employee training and development, reported as an aggregate sum;

\$ 437,217,551

4(b) The portion of qualified investment reported under subparagraph (a) that was spent on goods and services from businesses with an office in the State from which business operations in the State are managed; and

\$ 287,813,764

4(c) Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B of the authorizing statute.

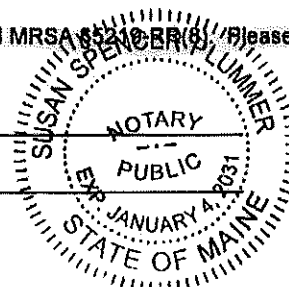
Yes

The applicant remains in compliance with the requirements in 36 MRSA §5219-RR(1)(H) and MRSA §5219-RR(9). Please see attached excerpt from BIW's Acquisition Manual.

Signature

Jon A. Fitzgerald

Notary



GENERAL DYNAMICS

Bath Iron Works

BIW ACQUISITION MANUAL

POLICY STATEMENT No. AM-18

MAINE PREFERENCE POLICY

It is the policy of the Supply Chain Division to select sources for materials and services that are most advantageous for the company based on overall best value, which considers but is not limited to, price, quality, delivery, ability to meet technical requirements, and other factors determined by the company to be appropriate to each individual purchase circumstance.

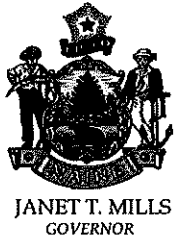
The State of Maine, through significant tax legislation, has endorsed BIW's efforts to remain a viable and important contributor to the Maine economic community. This legislation carries with it certain ethical and legal obligations, which compel BIW to give preference to Maine sources of supply whenever it is reasonable to do so.

Generally, if a Maine company's overall price (per order or subcontract) to BIW is the lesser of 1% or \$1000 higher than that of the closest competitor, all other evaluated criteria considered equal, the Maine company shall be selected for award.

This policy shall apply to all procurements unless:

- The source is directed
- Other contractual restrictions such as "Standardization" apply
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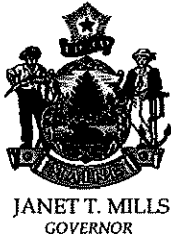
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 - Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B.

Additional information requested by DECD is an attestation of compliance with the provision in Title 36 §5219-RR(8) and §5219-RR(1)(H).

BIW provided this information in the document that is attached to this letter.

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MAINE REVENUE SERVICES
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1(c) the number of qualified employees in positions that are covered by a collective bargaining agreement;

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PAYROLL -

(2) The total dollar amount of payroll associated with employment in the report year, including specific information on;

\$ 461,708,589

2(a) The average annual salary and wages for qualified employees; and

\$ 75,409

2(b) The median annual salary and wages for qualified employees;

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GOODS AND SERVICES -

(3) The total dollar amount that was spent on goods and services obtained from business with an office in the State from which business operations in the State are managed; and

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QUALIFIED INVESTMENT -

(4) The incremental level of qualified investments made during the report year:

\$ 62,396,886

4(a) The amount of qualified investment in facility, production equipment and employee training and development, reported as an aggregate sum;

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4(b) The portion of qualified investment reported under subparagraph (a) that was spent on goods and services from businesses with an office in the State from which business operations in the State are managed; and

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4(c) Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B of the authorizing statute.

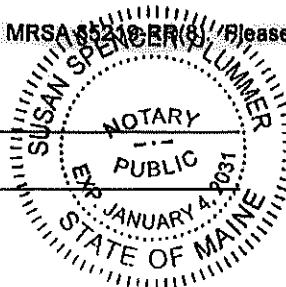
Yes

The applicant remains in compliance with the requirements in 36 MRSA §5219-RR(1)(H) and MRSA §5219-RR(5). Please see attached excerpt from BIW's Acquisition Manual.

Signature

Notary

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GENERAL DYNAMICS

Bath Iron Works

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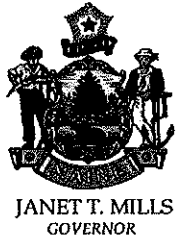
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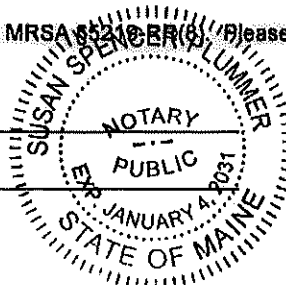
Yes

The applicant remains in compliance with the requirements in 36 MRSA §5219-RR(1)(H) and MRSA §5219-RR(6). Please see attached excerpt from BIW's Acquisition Manual.

Signature

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