

Shaded LDs have been voted on by the  
Committee

WS 4/6/21

**TAXATION COMMITTEE**

jsj 4-6-21

**130<sup>th</sup> LEGISLATURE**

**1st REG SESSION**

| LD  | LR   | PH  | WS | SPONSOR | TITLE   | SUMMARY<br>(Summaries may not reflect content of most recent committee action)  | COMM ACTION | FISCAL IMPACT <sup>1</sup> |      |
|-----|------|-----|----|---------|---|---|-------------|----------------------------|------|
|     |      |     |    |         |   |   |             | FY22                       | FY23 |
| 229 | 435  | 4/2 |    | Farrin  | An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program | <p>This bill increases the annual cap on eligible investment in any one business eligible for the seed capital tax credit from \$2,000,000 to \$3,000,000 and the aggregate cap on eligible investment in any one eligible business from \$3,500,000 to \$6,000,000.</p> <p><u>CURRENT LAW:</u><br/>Applies to investments by both individuals and private venture capital funds</p> <ol style="list-style-type: none"> <li>1. Cap on aggregate investment in one business is \$3,500,000 and not more than \$2,000,000 in one year.</li> </ol>   |             |                            |      |
| 950 | 1747 | 4/2 |    | Bennett | An Act To Improve Maine's Economic Development Incentives                       | <p>This bill provides that the <u>FAME may not issue a certificate of eligibility for a refundable seed capital tax credit to a private venture capital fund until after certificates have been issued for nonrefundable credits and only if the annual limit on certificates will not be exceeded.</u></p> <p>The bill also provides ongoing appropriations of \$500,000 annually to the Governor's Jobs Initiative Program to be used as matching funds <u>for worker training or retraining in manufacturing industries.</u></p> <p><u>CURRENT LAW:</u><br/>Investments made by private venture capital funds are refundable. Investments made by others are not refundable.</p> <p><u>Sponsor suggested change:</u></p> <ol style="list-style-type: none"> <li>1. 1/1 to 3/31 credits available to individual investors (not refundable)</li> <li>2. 4/1 forward credits to private venture capital companies (refundable)</li> </ol> |             |                            |      |

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

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|------|------|-----|----|---------|--|---|-------------|---|------|
|      |      |     |    |         |  |   |             | FY22  | FY23 |
| 978  | 649  | 4/2 |    | Hepler  | An Act To Create an Access to Justice Income Tax Credit              | <p>This bill provides an <u>income tax credit for 5 years</u> for:</p> <ol style="list-style-type: none"> <li><u>Attorneys who practice law in the State and</u></li> <li><u>Agree to practice for at least 5 years in an underserved area of the State as determined by the Supreme Judicial court.</u></li> <li><u>On roster to accept court appointments in underserved areas</u></li> <li><u>Agree to perform pro bono services in underserved areas</u></li> <li><u>Is certified annually by Supreme Judicial Court as eligible</u></li> </ol> <p>Eligibility for the credit is open from 2022 through 2027. The court may certify <u>up to 5 eligible attorneys each year</u>. Supreme Judicial Court reports to TAX and TAX is directed to review the <u>effectiveness</u> of the credit and may submit legislation to extend or revise it.</p> <p>MRS has concerns</p>                                |             | <p>MRS preliminary estimate</p> <p>Admin: Nominal/ absorbed</p> <p>Revenue: Not provided (insignificant?)</p> |      |
| 1046 | 1706 | 4/2 |    | Terry   | An Act To Create an Income Tax Return Checkoff for Hunger Prevention | <p>This bill requires the inclusion of an <u>income tax check-off provision</u> on Maine income tax forms for taxpayers who wish to contribute to support the emergency food assistance program administered by the Department of Agriculture, Conservation and Forestry.</p> <p>It also establishes the <u>Emergency Food Assistance Program Fund</u>, to which revenue collected from the income tax checkoff is credited.</p> <p><u>LD 691 in ACF Committee</u> establishes a “Fund to Address Food Insecurity” to support individuals in need and Maine food producers. Appropriates \$50,000. (WS scheduled 4/8)</p> <p>DACF administers federal “Emergency Food Assistance Program (TEFAP)</p> <p><u>CURRENT LAW:</u><br/>Provides <u>checkoff may not be listed on form for more than one year unless it raised at least \$25,000 in previous calendar year.</u></p> <p>MRS has technical concerns</p> |             | <p>MRS preliminary estimate</p> <p>Admin costs:<br/>FY 23 \$14,855<br/>FY 24 \$3,855</p>                      |      |

