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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 732, L.D. 977, Bill, "An Act To Restore the Super Credit for Substantially Increased Research and Development"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 5 MRSA §13070-J, sub-§2-A, ¶B, as enacted by PL 2017, c. 264, §10, is amended to read:

B. To assist the department in preparing the comprehensive evaluation of state investments in economic development pursuant to section 13070-P, subsection 1 and to facilitate the evaluation of tax expenditures under Title 3, chapter 37, a recipient of state funding for research and development activities or economic development incentives, including General Fund appropriations, dedicated revenue, tax expenditures as defined in section 1666 and general obligation bond proceeds for economic development, shall, in addition to any other reporting requirements required by law, collect, maintain and provide data as requested by the department, including, but not limited to:

(1) The amount received by the recipient in the preceding year from each economic development incentive;

(2) The total amount received by the recipient from all economic development incentives and economic development programs;

(3) The number, type and wage levels of jobs created or retained in each county by the recipient as a result of each economic development incentive;

(4) Current employment levels for the recipient for all operations within the State;

(5) Any changes in the recipient's employment levels in the State that have occurred over the preceding year;

(6) Investments made in the State by the recipient over the preceding year; and

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1 (7) Intellectual property that has been secured by the recipient, including, but not
2 limited to, patents, trade secrets, copyrights, trademarks or other intellectual
3 property as defined by the department by rule.

4 The department shall provide information obtained under this paragraph by January
5 15th annually to the Office of Program Evaluation and Government Accountability
6 for the purposes of evaluation of tax expenditures under Title 3, chapter 37 and, to the
7 extent permitted under confidentiality requirements, to the joint standing committee
8 of the Legislature having jurisdiction over taxation matters.

9 **Sec. 2. 36 MRSA §5219-L, sub-§1**, as amended by PL 2013, c. 502, Pt. J, §1 and
10 affected by §3, is further amended to read:

11 **1. Super credit allowed for substantial expansions of research and development.**

12 For tax years beginning before January 1, 2014, a taxpayer that qualifies for the research
13 expense tax credit allowed under section 5219-K is allowed an additional credit against
14 the tax due under this Part equal to the excess, if any, of qualified research expenses for
15 the taxable year over the super credit base amount. For purposes of this ~~section~~
16 subsection, "super credit base amount" means the average amount spent on qualified
17 research expenses by the taxpayer in the 3 taxable years immediately preceding ~~the~~
18 ~~effective date of this section June 12, 1997~~, increased by 50%. For purposes of this
19 section, "qualified research expenses" has the same meaning as under the Code, Section
20 41 but applies only to expenditures for research conducted in this State.

21 **Sec. 3. 36 MRSA §5219-L, sub-§1-A** is enacted to read:

22 **1-A. Super credit allowed for tax years beginning on or after January 1, 2019.**

23 For tax years beginning on or after January 1, 2019, a taxpayer that qualifies for the
24 research expense tax credit allowed under section 5219-K is allowed an additional credit
25 against the tax due under this Part equal to the excess, if any, of qualified research
26 expenses for the taxable year over the super credit base amount. For purposes of this
27 subsection, "super credit base amount" means the greater of:

28 A. The average annual amount spent on qualified research expenses by the taxpayer
29 in the 3 taxable years immediately preceding the tax year for which the credit is
30 generated; and

31 B. The average annual amount spent on qualified research expenses by the taxpayer
32 in the 3 taxable years immediately preceding October 1, 2019.

33 For purposes of this subsection, "qualified research expenses" has the same meaning as
34 under the Code, Section 41 but applies only to expenditures for research conducted in this
35 State.

36 **Sec. 4. 36 MRSA §5219-L, sub-§2**, as enacted by PL 1997, c. 557, Pt. B, §10
37 and affected by §14 and Pt. G, §1, is amended to read:

38 **2. Amount of super credit allowed.** The credit allowed under this section is limited
39 to 50% of the taxpayer's tax due after the allowance of any other credits taken pursuant to
40 this chapter except that, for tax years beginning on or after January 1, 2019, the credit
41 allowed under this section is limited to 25% of the taxpayer's tax due after the allowance
42 of any other credits taken pursuant to this chapter.

