

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

**'An Act To Provide an Income Tax Credit for
Persons Engaged in Commercial Forestry'**

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

'**Sec. 1. 36 MRSA §5219-GG** is enacted to read:

§ 5219-GG. Credit for residents of the State employed in commercial forestry

1. Credit allowed. A credit is allowed to an employer in the commercial forestry industry that employs residents of the State to harvest timber in this State and to self-employed resident individuals engaged in commercial forestry on a full-time basis.

2. Amount of credit. The amount of the credit allowed under this section is equal to the tax paid during the taxable year under Parts 3 and 5 on internal combustion engine fuel, as defined in section 2902, subsection 3, and special fuel, as defined in section 3202, subsection 6, used by the employer or self-employed person for commercial forestry up to a maximum credit of \$2,500. The employer or self-employed person shall report the number of gallons purchased and the type of fuel purchased to the State Tax Assessor. For purposes of this subsection, "commercial forestry" means the cultivation, management, maintenance and development of forests; the harvesting of trees; and the transport of forest products as defined in section 1752, subsection 2-E.

3. Limitation. The credit allowed under this section may not reduce the tax otherwise due under this Part to less than zero.

4. Rules. The bureau may adopt rules to implement the provisions of this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2012.

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Appropriates funds for programming changes to tax forms to establish an income tax credit of up to \$2,500 based on fuel purchased by employers in the commercial forestry industry in the State who employ residents of the State and fuel purchased by self-employed residents of the State in the commercial forestry industry in the State for tax years beginning on or after January 1, 2012.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$22,000
GENERAL FUND TOTAL	\$0	\$22,000

SUMMARY

This amendment replaces the per employee income tax credit to an employer in the commercial forestry industry that employs residents of the State to harvest timber in this State with a credit equal to the tax paid during the taxable year on fuel used by the employer for commercial forestry up to a maximum credit of \$2,500. This amendment also provides the tax credit to residents of Maine who are self-employed on a full-time basis in the commercial forestry industry. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)