

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

## **An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 36 MRS §2729** is enacted to read:

### **§ 2729. Credit**

**1. Credit.** An owner of commercial forest land subject to tax under this chapter is entitled to a credit equal to 100% of the taxes assessed under this chapter if the landowner meets the conditions specified under subsection 2.

**2. Conditions of eligibility.** To be eligible for a credit under this section, a landowner must:

A. Be based in the United States;

B. Demonstrate to the State Tax Assessor that all businesses, including forest road construction and trucking businesses, and contractors, including subcontractors, hired or retained by the landowner in the harvesting of timber on land subject to tax under this chapter are based in the United States and that the landowner has obtained from those businesses affidavits stating that at least 75% of the employees of those businesses are residents of the United States; and

C. Require that all businesses employed by the landowner in the harvesting of timber on land subject to tax under this chapter, including contractors and subcontractors, are current in the payment of all taxes due the State or political subdivisions of the State, including, but not limited to, payroll taxes, unemployment taxes, personal property taxes and sales taxes. This paragraph may not be construed to require a business employed by the landowner in the harvesting of timber to be assessed personal property taxes in order for the landowner to be eligible for the credit under this section.

For the purposes of this subsection, "based in the United States" means that a business maintains a bona fide place of business in the United States from which business operations in the United States are managed.

**3. Recapture.** If the State Tax Assessor finds, after a credit under this section has been granted, that the landowner claiming the credit did not meet the conditions required under subsection 2, the State Tax Assessor shall rescind the credit and shall recapture the credit granted by issuing a supplemental assessment against the landowner in accordance with section 141, subsection 1.

## **SUMMARY**

SP0080, LD 268, item 1, 129th Maine State Legislature  
An Act To Create a Credit under the Commercial Forestry Excise  
Tax for Landowners Using Businesses Based in the United States

This bill provides a credit against the commercial forestry excise tax for landowners who are based in the United States and who employ and retain businesses or contractors that are based in the United States, that employ at least 75% United States residents and that are current in the payment of all state and local taxes. The bill also requires recapture of the credit if a recipient is found to have been ineligible.