

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 all of section 1 and inserting the following:

‘Sec. 1. 10 MRSA §1100-T, sub-§2, ¶A, as amended by PL 2013, c. 438, §3, is further amended to read:

A. For investments made in tax years beginning before January 1, 2012, a tax credit certificate may be issued in an amount not more than 40% of the amount of cash actually invested in an eligible Maine business in any calendar year or in an amount not more than 60% of the amount of cash actually invested in any one calendar year in an eligible Maine business located in a high-unemployment area, as determined by rule by the authority. For investments made in tax years beginning on or after January 1, 2012, a tax credit certificate may be issued to an investor other than a private venture capital fund in an amount not more than 60% of the amount of cash actually invested in an eligible Maine business in any calendar year. For investments made in tax years beginning on or after January 1, 2014, a tax credit certificate may be issued to an investor other than a private venture capital fund in an amount not more than 50% of the amount of cash actually invested in an eligible Maine business in any calendar year. For investments made after April 1, 2019, a tax credit certificate may be issued to an investor other than a private venture capital fund in an amount not more than 40% of the amount of cash actually invested in an eligible Maine business in any calendar year. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 10 MRSA §1100-T, sub-§2, ¶I, as enacted by PL 2001, c. 642, §7 and affected by §12, is amended to read:

I. The business receiving the investment may not be in violation of the requirements of subsection 67.’

Amend the bill by inserting after section 2 the following:

‘Sec. 3. 10 MRSA §1100-T, sub-§2-A, ¶B, as amended by PL 2009, c. 470, §3, is further amended to read:

B. As used in this subsection, unless the context otherwise indicates, an "eligible business" means a business located in the State that:

- (1) Is a manufacturer;
- (2) Is engaged in the development or application of advanced technologies;
- (3) Provides a product or service that is sold or rendered, or is projected to be sold or rendered, predominantly outside of the State;

(4) Brings capital into the State, as determined by the authority; or

(5) Is certified as a visual media production company under Title 5, section 13090-L.

Amend the bill by striking out all of section 4 and inserting the following:

‘Sec. 4. 10 MRSA §1100-T, sub-§2-C, ¶B, as amended by PL 2013, c. 438, §4, is further amended to read:

B. As used in this subsection, unless the context otherwise indicates, "eligible business" means a business located in the State that has certified that the amount of the investment is necessary to allow the business to create or retain jobs in the State and that, as determined by the authority:

(1) Is a manufacturer or a value-added natural resource enterprise;

(2) Is engaged in the development or application of advanced technologies;

(3) Provides a product or service that is sold or rendered, or is projected to be sold or rendered, predominantly outside of the State; or

(5) Is certified as a visual media production company under Title 5, section 13090-L.

Amend the bill by striking out all of section 7 and inserting the following:

‘Sec. 7. 10 MRSA §1100-T, sub-§4, as amended by PL 2013, c. 438, §5, is further amended to read:

4. Total of credits authorized. The authority may issue tax credit certificates to investors eligible pursuant to subsections 2, 2-A and 2-C in an aggregate amount not to exceed \$2,000,000 up to and including calendar year 1996, \$3,000,000 up to and including calendar year 1997, \$5,500,000 up to and including calendar year 1998, \$8,000,000 up to and including calendar year 2001, \$11,000,000 up to and including calendar year 2002, \$14,000,000 up to and including calendar year 2003, \$17,000,000 up to and including calendar year 2004, \$20,000,000 up to and including calendar year 2005, \$23,000,000 up to and including calendar year 2006, \$26,000,000 up to and including calendar year 2007 and \$30,000,000 up to and including calendar year 2013, in addition to which, the authority may issue tax credit certificates to investors eligible pursuant to subsections 2, 2-A and 2-C in an annual amount not to exceed \$675,000 for investments made between January 1, 2014 and December 31, 2014, \$4,000,000 for investments made in calendar year 2015 ~~and~~, \$5,000,000 for investments made in calendar years 2016 to 2018, \$15,000,000 for investments made in calendar years 2019 to 2025 and \$5,000,000 each year for investments made in calendar years beginning with 2016~~2026~~. The authority may provide that investors eligible for a tax credit

under this section in a year when there is insufficient credit available are entitled to take the credit when it becomes available subject to limitations established by the authority by rule. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 8. 10 MRSA §1100-T, sub-§6, as amended by PL 2011, c. 454, §8, is repealed.

Sec. 9. 10 MRSA §1100-T, sub-§7 is enacted to read:

7. Reports. The following reports are required regarding activities under this section.

A. A business eligible to have investors receive a tax credit under this section shall report to the authority, in a manner to be determined by the authority, the following information regarding its activities in the State over the calendar year in which the investment occurred and for each additional year for which a credit is claimed:

(1) The total amount of private investment received by the eligible business from each investor eligible to receive a tax credit;

(2) The total number of persons employed by the eligible business as of December 31st;

(3) The total number and geographic location of jobs created and retained by the eligible business stated separately for all jobs in the State and for those jobs that would not have been created or retained in the absence of the credit;

(4) Total annual payroll of the eligible business stated separately for all employees in the State and for those employees who would not have been employed in the absence of the credit; and

(5) Total sales revenue of the eligible business stated separately within and outside the State.

B. An investor eligible for a tax credit under this section shall notify the authority when a business that received an investment from that investor eligible for a credit under this section ceases operations and the likely reasons for the cessation of business.

C. The authority shall report annually to the joint standing committee of the Legislature having jurisdiction over taxation matters and to the Office of Program Evaluation and Government Accountability on all activity under this section during the prior calendar year. The authority shall identify in its report businesses receiving investments eligible for a credit under this section and the authority's determination as to whether the investments would have been made in the absence of the credit.

Sec. 10. 36 MRSA §5216-B, sub-§6 is enacted to read:

6. Evaluation; specific public policy objective; performance measures. The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. The Office of Program Evaluation and Government Accountability shall submit an evaluation of the credit provided under this section to the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters. In developing evaluation parameters to perform the review, the office shall consider:

A. That the specific public policy objectives of the credit provided under this section are:

(1) To increase job opportunities for residents of the State in businesses that export products or services from the State;

(2) To increase private investment in small new and existing businesses, especially those that experience significant difficulty in the absence of investment incentives in obtaining equity financing to carry the businesses from start-up through initial development; and

(3) To increase municipal tax bases; and

B. Performance measures, including, but not limited to:

(1) The number and geographic distribution of full-time employees added or retained during a period being reviewed who would not have been added or retained in the absence of the credit;

(2) The amount of qualified investment in eligible businesses during the period being reviewed;

(3) The change in the number of businesses created or retained in the State as a result of the credit;

(4) Measures of fiscal impact and overall economic impact to the State; and

(5) The amount of the tax revenue loss for each year being reviewed divided by the number of jobs created or retained.

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment restricts the increase in the overall annual limit on total authorized credits to calendar years 2019 to 2025, removes the requirement that a majority of an eligible business's employment associated with the creation and sale of a product or a provision of services be within the State and provides a structure for the required reporting of data to facilitate an evaluation of the effectiveness of the credit by the Office of Program Evaluation and Government Accountability.