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FIRST REGULAR SESSION-2017

Legislative Document

No. 1581

H.P. 1088

House of Representatives, May 4, 2017

**An Act To Simplify Maine Income Tax by Repealing or Terminating
Certain Tax Credits and the Charitable Contribution Checkoff**

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BICKFORD of Auburn.

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

2 **Sec. 1. 5 MRSA §13090-L, sub-§1**, as amended by PL 2009, c. 470, §1, is
3 further amended to read:

4 **1. Generally.** A visual media production company that intends to undertake a visual
5 media production in this State may apply to the department to have the production, or a
6 portion of the production, certified under subsection 3 for purposes of the visual media
7 production reimbursement pursuant to Title 36, chapter 919-A ~~and the credit under Title~~
8 ~~36, section 5219-Y.~~

9 **Sec. 2. 5 MRSA §13090-L, sub-§3**, as amended by PL 2009, c. 470, §1, is
10 further amended to read:

11 **3. Requirements for visual media production certificate.** Applications for a
12 visual media production certificate must be made on a form prescribed and furnished by
13 the department. The applicant must:

14 A. Provide the names of the principals involved in the visual media production and
15 contact information for them;

16 B. Provide a certificate of insurance for the visual media production;

17 C. Provide financial information that demonstrates that the visual media production
18 is fully financed and that at least \$75,000 of visual media production expense will be
19 incurred for the visual media production certified in accordance with this subsection;

20 D. Provide data demonstrating that the visual media production will benefit the
21 people of the State by increasing opportunities for employment and will strengthen
22 the economy of the State;

23 E. Agree to include, in the certified visual media production, an on-screen credit for
24 the State of Maine. The exact wording and size of that credit must be determined in
25 rules adopted by the Maine State Film Office and the department. The Maine State
26 Film Office or the department may, at its discretion, exempt visual media productions
27 from this requirement. Rules adopted pursuant to this paragraph are routine technical
28 rules as defined in chapter 375, subchapter 2-A;

29 F. Provide evidence that the visual media production company is not owned by,
30 affiliated with or controlled by, in whole or in part, a person that is in default on a
31 loan made by the State or a loan guaranteed by the State;

32 G. Provide any other information required by the department; and

33 H. Provide a projected schedule for preproduction, production and postproduction of
34 the visual media production that shows that the production will begin within 60 days
35 after certification pursuant to this subsection.

36 To qualify for a visual media production certificate, a visual media production company
37 must demonstrate to the satisfaction of the commissioner that the visual media production
38 company has met, or will meet, the requirements of this subsection. If the department
39 determines that the applicant does not qualify for a visual media production certificate, it

1 must inform the applicant of that determination in writing within 4 weeks of receiving the
2 application. As soon as practicable, the department shall issue a visual media production
3 certificate for a visual media production that qualifies. The department shall include with
4 the certificate information regarding the ~~tax credit~~ report under subsection 4 and
5 procedures for claiming reimbursement under Title 36, chapter 919-A ~~and the credit~~
6 ~~under Title 36, section 5219-Y.~~

7 **Sec. 3. 5 MRSA §13090-L, sub-§5**, as amended by PL 2009, c. 470, §1, is
8 further amended to read:

9 **5. Department to provide information to State Tax Assessor.** The department
10 shall provide to the State Tax Assessor copies of the visual media production certificate
11 issued pursuant to subsection 3, together with any other information reasonably required
12 by the State Tax Assessor for the administration of visual media production
13 reimbursement under Title 36, chapter 919-A ~~and the credit under Title 36, section~~
14 ~~5219-Y.~~

15 **Sec. 4. 5 MRSA §13090-L, sub-§7**, as enacted by PL 2009, c. 470, §1, is
16 amended to read:

17 **7. Report.** The Maine State Film Office shall submit a report by January 15th
18 annually to the joint standing committee of the Legislature having jurisdiction over
19 taxation matters regarding the certification and reporting process pursuant to this section
20 and the visual media production ~~tax credit and~~ reimbursement activities pursuant to ~~Title~~
21 ~~36, section 5219-Y and~~ Title 36, chapter 919-A. The report must include a description of
22 any rule-making activity related to the implementation of the ~~credit and~~ reimbursement
23 activities, outreach efforts to visual media production companies, the number of
24 applications for the visual media production ~~credit and tax~~ reimbursement, the number of
25 ~~credits and~~ reimbursements granted, the revenue loss associated with the ~~credit and~~
26 reimbursement and the amount of visual media production expenses generated in the
27 State as a result of the ~~credit and~~ reimbursement.

28 **Sec. 5. 12 MRSA c. 903, sub-c. 8**, as amended, is repealed.

29 **Sec. 6. 36 MRSA §191, sub-§2, ¶MM**, as amended by PL 2009, c. 652, Pt. A,
30 §51, is further amended to read:

31 MM. The disclosure to an authorized representative of the Department of Economic
32 and Community Development of information required for the administration of ~~the~~
33 ~~visual media production credit under section 5219-Y~~, the employment tax increment
34 financing program under chapter 917, the visual media production reimbursement
35 program under chapter 919-A or the Pine Tree Development Zone program under
36 Title 30-A, chapter 206, subchapter 4;

37 **Sec. 7. 36 MRSA §191, sub-§2, ¶BBB**, as enacted by PL 2015, c. 490, §4, is
38 repealed.

39 **Sec. 8. 36 MRSA §5122, sub-§1, ¶EE**, as amended by PL 2011, c. 644, §13, is
40 repealed.

1 **Sec. 9. 36 MRSA §5122, sub-§1, ¶GG**, as amended by PL 2015, c. 1, §2, is
2 repealed.

3 **Sec. 10. 36 MRSA §5122, sub-§1, ¶KK**, as enacted by PL 2015, c. 490, §7, is
4 repealed.

5 **Sec. 11. 36 MRSA §5122, sub-§2, ¶U**, as amended by PL 2005, c. 622, §27 and
6 c. 644, §5; PL 2011, c. 657, Pt. W, §§5 and 7; and PL 2013, c. 405, Pt. A, §23, is further
7 amended to read:

8 U. For income tax years beginning on or after January 1, 2015, the gain attributable
9 to the sale of sustainably managed, eligible timberlands as calculated in this
10 paragraph.

11 (1) As used in this paragraph, unless the context otherwise indicates, the
12 following terms have the following meanings.

13 (a) "Commercial harvesting" or "commercially harvested" means the
14 harvesting of forest products that have commercial value.

15 (b) "Eligible timberlands" means land of at least 10 acres located in the State
16 and used primarily for the growth of trees to be commercially harvested.
17 Land that would otherwise be included within this definition may not be
18 excluded because of:

19 (i) Use of the land for multiple public recreation activities;

20 (ii) Statutory or governmental restrictions that prevent commercial
21 harvesting of trees or require a primary use of the land other than
22 commercial harvesting;

23 (iii) Deed restrictions, restrictive covenants or organizational charters
24 that prevent commercial harvesting of trees or require a primary use of
25 land other than commercial harvesting and that were effective prior to
26 January 1, 1982; or

27 (iv) Past or present multiple use for mineral exploration.

28 (c) "Forest products that have commercial value" means logs, pulpwood,
29 veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel
30 wood, Christmas trees, maple syrup, nursery products used for ornamental
31 purposes, wreaths, bough material or cones or other seed products.

32 (d) "Sustainably managed" means:

33 (i) A forest management and harvest plan, as defined in section 573,
34 subsection 3-A, has been prepared for the eligible timberlands and has
35 been in effect for the entire time period used to compute the amount of
36 the subtraction modification under this paragraph; and

37 (ii) The taxpayer has received a written statement from a licensed
38 forester certifying that, as of the time of the sale, the eligible timberlands
39 have been managed in accordance with the plan under subdivision (i)
40 during that period.

1 (2) To the extent they are included in the taxpayer's federal adjusted gross
2 income, the following amounts must be subtracted from federal adjusted gross
3 income:

4 (a) For eligible timberlands held by the taxpayer for at least a 10-year period
5 beginning on or after January 1, 2005 but less than an 11-year period
6 beginning on or after January 1, 2005, 1/15 of the gain recognized on the sale
7 of the eligible timberlands; or

8 (b) For eligible timberlands held by the taxpayer for at least an 11-year
9 period beginning on or after January 1, 2005 but less than a 12-year period
10 beginning on or after January 1, 2005, 2/15 of the gain recognized on the sale
11 of the eligible timberlands; or

12 ~~(c) For eligible timberlands held by the taxpayer for at least a 12-year period
13 beginning on or after January 1, 2005 but less than a 13-year period
14 beginning on or after January 1, 2005, 1/5 of the gain recognized on the sale
15 of the eligible timberlands;~~

16 ~~(d) For eligible timberlands held by the taxpayer for at least a 13-year period
17 beginning on or after January 1, 2005 but less than a 14-year period
18 beginning on or after January 1, 2005, 4/15 of the gain recognized on the sale
19 of the eligible timberlands;~~

20 ~~(e) For eligible timberlands held by the taxpayer for at least a 14-year period
21 beginning on or after January 1, 2005 but less than a 15-year period
22 beginning on or after January 1, 2005, 1/3 of the gain recognized on the sale
23 of the eligible timberlands;~~

24 ~~(f) For eligible timberlands held by the taxpayer for at least a 15-year period
25 beginning on or after January 1, 2005 but less than a 16-year period
26 beginning on or after January 1, 2005, 2/5 of the gain recognized on the sale
27 of the eligible timberlands;~~

28 ~~(g) For eligible timberlands held by the taxpayer for at least a 16-year period
29 beginning on or after January 1, 2005 but less than a 17-year period
30 beginning on or after January 1, 2005, 7/15 of the gain recognized on the sale
31 of the eligible timberlands;~~

32 ~~(h) For eligible timberlands held by the taxpayer for at least a 17-year period
33 beginning on or after January 1, 2005 but less than an 18-year period
34 beginning on or after January 1, 2005, 8/15 of the gain recognized on the sale
35 of the eligible timberlands;~~

36 ~~(i) For eligible timberlands held by the taxpayer for at least an 18-year
37 period beginning on or after January 1, 2005 but less than a 19-year period
38 beginning on or after January 1, 2005, 3/5 of the gain recognized on the sale
39 of the eligible timberlands;~~

40 ~~(j) For eligible timberlands held by the taxpayer for at least a 19-year period
41 beginning on or after January 1, 2005 but less than a 20-year period
42 beginning on or after January 1, 2005, 2/3 of the gain recognized on the sale
43 of the eligible timberlands;~~

1 ~~(k) For eligible timberlands held by the taxpayer for at least a 20-year period~~
2 ~~beginning on or after January 1, 2005 but less than a 21-year period~~
3 ~~beginning on or after January 1, 2005, 11/15 of the gain recognized on the~~
4 ~~sale of the eligible timberlands;~~

5 ~~(l) For eligible timberlands held by the taxpayer for at least a 21-year period~~
6 ~~beginning on or after January 1, 2005 but less than a 22-year period~~
7 ~~beginning on or after January 1, 2005, 4/5 of the gain recognized on the sale~~
8 ~~of the eligible timberlands;~~

9 ~~(m) For eligible timberlands held by the taxpayer for at least a 22-year~~
10 ~~period beginning on or after January 1, 2005 but less than a 23-year period~~
11 ~~beginning on or after January 1, 2005, 13/15 of the gain recognized on the~~
12 ~~sale of the eligible timberlands;~~

13 ~~(n) For eligible timberlands held by the taxpayer for at least a 23-year period~~
14 ~~beginning on or after January 1, 2005 but less than a 24-year period~~
15 ~~beginning on or after January 1, 2005, 14/15 of the gain recognized on the~~
16 ~~sale of the eligible timberlands; or~~

17 ~~(o) For eligible timberlands held by the taxpayer for at least a 24-year period~~
18 ~~beginning on or after January 1, 2005, all of the gain recognized on the sale~~
19 ~~of the eligible timberlands.~~

20 (3) Taxpayers claiming this credit must attach a sworn statement from a forester
21 licensed pursuant to Title 32, chapter 76 that the timberlands for which the credit
22 is claimed have been managed sustainably. For the purposes of this
23 subparagraph, "sustainably" means that the timberlands for which the credit is
24 claimed have been managed to protect soil productivity and to maintain or
25 improve stand productivity and timber quality; known occurrences of threatened
26 or endangered species and rare or exemplary natural communities; significant
27 wildlife habitat and essential wildlife habitat; and water quality, wetlands and
28 riparian zones.

29 Upon request of the State Tax Assessor, the Director of the Bureau of Forestry
30 within the Department of Agriculture, Conservation and Forestry may provide
31 assistance in determining whether timberlands for which the credit is claimed
32 have been managed sustainably. When assistance is requested under this
33 subparagraph, the director or the director's designee may enter and examine the
34 timberlands for the purpose of determining whether the timberlands have been
35 managed sustainably.

36 In the case of timberlands owned by an entity that is treated as a pass-through entity
37 for income tax purposes, the land must be treated as eligible timberland if ownership
38 and use of the land by the pass-through entity satisfies the requirements of this
39 paragraph. If the owner of the eligible timberlands is an S corporation, the taxpayer
40 must subtract the owner's pro rata share of the gain. If the owner of the timberlands
41 is a partnership or limited liability company taxed as a partnership, the taxpayer must
42 subtract the taxpayer's distributive share of the gain, subject to the percentage
43 limitations provided in this paragraph.

1 This modification may not reduce Maine taxable income to less than zero. To the
2 extent this modification results in Maine taxable income that is less than zero for the
3 taxable year, the excess negative modification amount may be carried forward and
4 applied as a subtraction modification for up to 10 taxable years. The entire amount of
5 the excess negative modification must be carried to the earliest of the taxable years to
6 which, by reason of this subsection, the negative modification may be carried and
7 then to each of the other taxable years to the extent the unused negative modification
8 is not used for a prior taxable year. Earlier carry-forward modifications must be used
9 before newer modifications generated in later years. Except for unused modifications
10 carried forward to subsequent tax years, the subtraction modification allowed under
11 this paragraph does not apply to tax years beginning on or after January 1, 2017;

12 **Sec. 12. 36 MRSA §5125, sub-§3, ¶C**, as amended by PL 2015, c. 494, Pt. A,
13 §45, is further amended to read:

14 C. Reduced by any amount of deduction attributable to income taxable to financial
15 institutions under chapter 819; and

16 **Sec. 13. 36 MRSA §5125, sub-§3, ¶D**, as repealed and replaced by PL 2015, c.
17 494, Pt. A, §46, is amended to read:

18 D. Reduced by any amount attributable to interest or expenses incurred in the
19 production of income exempt from tax under this Part; ~~and.~~

20 **Sec. 14. 36 MRSA §5125, sub-§3, ¶G**, as enacted by PL 2015, c. 340, §3 and
21 affected by §5, is repealed.

22 **Sec. 15. 36 MRSA §5200-A, sub-§1, ¶X**, as amended by PL 2011, c. 644, §20,
23 is repealed.

24 **Sec. 16. 36 MRSA §5200-A, sub-§1, ¶Z**, as amended by PL 2015, c. 1, §8, is
25 repealed.

26 **Sec. 17. 36 MRSA §5200-A, sub-§2, ¶P**, as amended by PL 2007, c. 539, Pt.
27 CCC, §16; PL 2011, c. 657, Pt. W, §§5 and 7; and PL 2013, c. 405, Pt. A, §23, is further
28 amended to read:

29 P. For income tax years beginning on or after January 1, 2015, the gain attributable
30 to the sale of sustainably managed, eligible timberlands as calculated pursuant to this
31 paragraph.

32 (1) As used in this paragraph, unless the context otherwise indicates, the
33 following terms have the following meanings.

34 (a) "Commercial harvesting" or "commercially harvested" means the
35 harvesting of forest products that have commercial value.

36 (b) "Eligible timberlands" means land of at least 10 acres located in the State
37 and used primarily for the growth of trees to be commercially harvested.
38 Land that would otherwise be included within this definition may not be
39 excluded because of:

- 1 (i) Use of the land for multiple public recreation activities;
- 2 (ii) Statutory or governmental restrictions that prevent commercial
3 harvesting of trees or require a primary use of the land other than
4 commercial harvesting;
- 5 (iii) Deed restrictions, restrictive covenants or organizational charters
6 that prevent commercial harvesting of trees or require a primary use of
7 land other than commercial harvesting and that were effective prior to
8 January 1, 1982; or
- 9 (iv) Past or present multiple use for mineral exploration.
- 10 (c) "Forest products that have commercial value" means logs, pulpwood,
11 veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel
12 wood, Christmas trees, maple syrup, nursery products used for ornamental
13 purposes, wreaths, bough material or cones or other seed products.
- 14 (d) "Sustainably managed" means:
- 15 (i) A forest management and harvest plan, as defined in section 573,
16 subsection 3-A, has been prepared for the eligible timberlands and has
17 been in effect for the entire time period used to compute the amount of
18 the subtraction modification under this paragraph; and
- 19 (ii) The taxpayer has received a written statement from a licensed
20 forester certifying that, as of the time of the sale, the eligible timberlands
21 have been managed in accordance with the plan under subdivision (i)
22 during that period.
- 23 (2) To the extent included in the taxpayer's taxable income under the laws of the
24 United States, the taxable income of the taxpayer under the laws of the United
25 States must be decreased by:
- 26 (a) For eligible timberlands held by the taxpayer for at least a 10-year period
27 beginning on or after January 1, 2005 but less than an 11-year period
28 beginning on or after January 1, 2005, 1/15 of the gain recognized on the sale
29 of the eligible timberlands; or
- 30 (b) For eligible timberlands held by the taxpayer for at least an 11-year
31 period beginning on or after January 1, 2005 but less than a 12-year period
32 beginning on or after January 1, 2005, 2/15 of the gain recognized on the sale
33 of the eligible timberlands; and
- 34 ~~(c) For eligible timberlands held by the taxpayer for at least a 12-year period~~
35 ~~beginning on or after January 1, 2005 but less than a 13-year period~~
36 ~~beginning on or after January 1, 2005, 1/5 of the gain recognized on the sale~~
37 ~~of the eligible timberlands;~~
- 38 ~~(d) For eligible timberlands held by the taxpayer for at least a 13-year period~~
39 ~~beginning on or after January 1, 2005 but less than a 14-year period~~
40 ~~beginning on or after January 1, 2005, 4/15 of the gain recognized on the sale~~
41 ~~of the eligible timberlands;~~

- 1 ~~(e) For eligible timberlands held by the taxpayer for at least a 14-year period~~
2 ~~beginning on or after January 1, 2005 but less than a 15-year period~~
3 ~~beginning on or after January 1, 2005, 1/3 of the gain recognized on the sale~~
4 ~~of the eligible timberlands;~~
- 5 ~~(f) For eligible timberlands held by the taxpayer for at least a 15-year period~~
6 ~~beginning on or after January 1, 2005 but less than a 16-year period~~
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8 ~~of the eligible timberlands;~~
- 9 ~~(g) For eligible timberlands held by the taxpayer for at least a 16-year period~~
10 ~~beginning on or after January 1, 2005 but less than a 17-year period~~
11 ~~beginning on or after January 1, 2005, 7/15 of the gain recognized on the sale~~
12 ~~of the eligible timberlands;~~
- 13 ~~(h) For eligible timberlands held by the taxpayer for at least a 17-year period~~
14 ~~beginning on or after January 1, 2005 but less than an 18-year period~~
15 ~~beginning on or after January 1, 2005, 8/15 of the gain recognized on the sale~~
16 ~~of the eligible timberlands;~~
- 17 ~~(i) For eligible timberlands held by the taxpayer for at least an 18-year~~
18 ~~period beginning on or after January 1, 2005 but less than a 19-year period~~
19 ~~beginning on or after January 1, 2005, 3/5 of the gain recognized on the sale~~
20 ~~of the eligible timberlands;~~
- 21 ~~(j) For eligible timberlands held by the taxpayer for at least a 19-year period~~
22 ~~beginning on or after January 1, 2005 but less than a 20-year period~~
23 ~~beginning on or after January 1, 2005, 2/3 of the gain recognized on the sale~~
24 ~~of the eligible timberlands;~~
- 25 ~~(k) For eligible timberlands held by the taxpayer for at least a 20-year period~~
26 ~~beginning on or after January 1, 2005 but less than a 21-year period~~
27 ~~beginning on or after January 1, 2005, 11/15 of the gain recognized on the~~
28 ~~sale of the eligible timberlands;~~
- 29 ~~(l) For eligible timberlands held by the taxpayer for at least a 21-year period~~
30 ~~beginning on or after January 1, 2005 but less than a 22-year period~~
31 ~~beginning on or after January 1, 2005, 4/5 of the gain recognized on the sale~~
32 ~~of the eligible timberlands;~~
- 33 ~~(m) For eligible timberlands held by the taxpayer for at least a 22-year~~
34 ~~period beginning on or after January 1, 2005 but less than a 23-year period~~
35 ~~beginning on or after January 1, 2005, 13/15 of the gain recognized on the~~
36 ~~sale of the eligible timberlands;~~
- 37 ~~(n) For eligible timberlands held by the taxpayer for at least a 23-year period~~
38 ~~beginning on or after January 1, 2005 but less than a 24-year period~~
39 ~~beginning on or after January 1, 2005, 14/15 of the gain recognized on the~~
40 ~~sale of the eligible timberlands; or~~
- 41 ~~(o) For eligible timberlands held by the taxpayer for at least a 24-year period~~
42 ~~beginning on or after January 1, 2005, all of the gain recognized on the sale~~
43 ~~of the eligible timberlands.~~

1 (3) Taxpayers claiming this credit must attach a sworn statement from a forester
2 licensed pursuant to Title 32, chapter 76 that the timberlands for which the credit
3 is claimed have been managed sustainably. For the purposes of this
4 subparagraph, "sustainably" means that the timberlands for which the credit is
5 claimed have been managed to protect soil productivity and to maintain or
6 improve stand productivity and timber quality; known occurrences of threatened
7 or endangered species and rare or exemplary natural communities; significant
8 wildlife habitat and essential wildlife habitat; and water quality, wetlands and
9 riparian zones.

10 Upon request of the State Tax Assessor, the Director of the Bureau of Forestry
11 within the Department of Agriculture, Conservation and Forestry may provide
12 assistance in determining whether timberlands for which the credit is claimed
13 have been managed sustainably. When assistance is requested under this
14 subparagraph, the director or the director's designee may enter and examine the
15 timberlands for the purpose of determining whether the timberlands have been
16 managed sustainably.

17 In the case of timberlands owned by an entity that is treated as a pass-through entity
18 for income tax purposes, the land must be treated as eligible timberland if ownership
19 and use of the land by the pass-through entity satisfies the requirements of this
20 paragraph. If the owner of the eligible timberlands is an S corporation, the taxpayer
21 must subtract the owner's pro rata share of the gain. If the owner of the timberlands
22 is a partnership or limited liability company taxed as a partnership, the taxpayer must
23 subtract the taxpayer's distributive share of the gain, subject to the percentage
24 limitations provided in this paragraph.

25 This modification may not reduce Maine taxable income to less than zero. To the
26 extent this modification results in Maine taxable income that is less than zero for the
27 taxable year, the excess negative modification amount may be carried forward and
28 applied as a subtraction modification for up to 10 taxable years. The entire amount of
29 the excess negative modification must be carried to the earliest of the taxable years to
30 which, by reason of this subsection, the negative modification may be carried and
31 then to each of the other taxable years to the extent the unused negative modification
32 is not used for a prior taxable year. Earlier carry-forward modifications must be used
33 before newer modifications generated in later years. Except for unused modifications
34 carried forward to subsequent tax years, the subtraction modification allowed under
35 this paragraph does not apply to tax years beginning on or after January 1, 2017;

36 **Sec. 18. 36 MRSA §5216-D, sub-§1, ¶A**, as enacted by PL 2011, c. 380, Pt.
37 HHHH, §3, is amended to read:

38 A. "Certificate" means a tax credit certificate issued by the Department of Inland
39 Fisheries and Wildlife pursuant to former Title 12, chapter 903, subchapter 8.

40 **Sec. 19. 36 MRSA §5216-D, sub-§2**, as enacted by PL 2011, c. 380, Pt. HHHH,
41 §3, is amended to read:

42 **2. Credit.** An investor is entitled to a credit against the tax otherwise due under this
43 Part equal to the amount of the tax credit certificate issued by the Department of Inland

1 Fisheries and Wildlife in accordance with former Title 12, section 10331 and as limited
2 by subsection 3. In the case of partnerships, limited liability companies, S corporations,
3 nontaxable trusts and any other entities that are treated as pass-through entities for tax
4 purposes under the Code, but not including pass-through entities taxed under chapter 819,
5 the individual partners, members, stockholders, beneficiaries or equity owners of such
6 entities must be treated as the investors under this section and are allowed a credit against
7 the tax otherwise due from them under this Part in proportion to their respective interests
8 in those partnerships, limited liability companies, S corporations, nontaxable trusts or
9 other pass-through entities. Except as limited or authorized by subsection 3 or 4, 25% of
10 the credit must be taken in the taxable year the investment is made and 25% per year
11 must be taken in each of the next 3 taxable years.

12 **Sec. 20. 36 MRSA §5216-D, sub-§7** is enacted to read:

13 **7. Termination of credit.** Except for the credit allowed with respect to the carry-
14 over of unused credit amounts pursuant to subsection 4, the tax credit allowed under this
15 section is not available for tax years beginning on or after January 1, 2017.

16 **Sec. 21. 36 MRSA §5218-A**, as enacted by PL 2015, c. 340, §4 and affected by
17 §5, is repealed.

18 **Sec. 22. 36 MRSA §5219-Y**, as amended by PL 2011, c. 240, §37, is repealed.

19 **Sec. 23. 36 MRSA §5219-FF, sub-§5** is enacted to read:

20 **5. Termination of credit.** Except for the credit allowed with respect to the carry-
21 over of unused credit amounts pursuant to subsection 4, the credit allowed under this
22 section is not available for tax years beginning on or after January 1, 2017.

23 **Sec. 24. 36 MRSA §5219-NN**, as enacted by PL 2015, c. 490, §8, is repealed.

24 **Sec. 25. 36 MRSA §5219-NN**, as enacted by PL 2015, c. 503, §1, is repealed.

25 **Sec. 26. 36 MRSA §5283-A, sub-§1**, as enacted by PL 2011, c. 685, §3, is
26 repealed.

27 **Sec. 27. 36 MRSA §5284**, as amended by PL 2011, c. 685, §4, is repealed.

28 **Sec. 28. 36 MRSA §5284-A**, as amended by PL 2011, c. 685, §5, is repealed.

29 **Sec. 29. 36 MRSA §5285**, as amended by PL 2011, c. 685, §6, is repealed.

30 **Sec. 30. 36 MRSA §5285-A**, as amended by PL 2011, c. 685, §7, is repealed.

31 **Sec. 31. 36 MRSA §5288-A**, as amended by PL 2011, c. 685, §8, is repealed.

32 **Sec. 32. 36 MRSA §5289**, as amended by PL 2011, c. 685, §9, is repealed.

33 **Sec. 33. 36 MRSA §5290**, as amended by PL 2011, c. 685, §10, is repealed.

1 4. It repeals the tax credit for adult dependent care expenses and the related
2 adjustment to Maine itemized deductions for tax years beginning on or after January 1,
3 2017.

4 5. It repeals the certified visual media production tax credit for tax years beginning
5 on or after January 1, 2017 and removes related cross-references to that credit.

6 6. It repeals the tax credit for modifications to a homestead to make it accessible to
7 an individual with a disability or physical hardship for tax years beginning on or after
8 January 1, 2017 and removes a related cross-reference to that credit.

9 7. It repeals the tax credit for disability income protection plans in the workplace for
10 tax years beginning on or after January 1, 2017 and removes related cross-references to
11 that credit.

12 8. It repeals the voluntary charitable contribution checkoffs, and the requirement that
13 the State Tax Assessor include the checkoffs on the tax form, for the Maine Endangered
14 and Nongame Wildlife Fund, the Companion Animal Sterilization Fund, the Maine
15 Children's Trust Incorporated, the Bone Marrow Screening Fund, the Maine Military
16 Family Relief Fund, the Maine Veterans' Memorial Cemetery Maintenance Fund, the
17 Maine Asthma and Lung Disease Research Fund and the Maine Public Library Fund
18 from Maine individual income tax forms for tax years beginning on or after January 1,
19 2017 and eliminates funding for the Maine Military Family Relief Fund due to the
20 elimination of the checkoff for that fund. The checkoff for the Maine Clean Election
21 Fund is not affected by this bill.