



# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 483

S.P. 148

In Senate, January 31, 2019

### An Act To Improve the Maine Seed Capital Tax Credit Program

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator POULIOT of Kennebec.  
Cosponsored by Representative HUBBELL of Bar Harbor and  
Senators: DOW of Lincoln, FOLEY of York, HERBIG of Waldo, LIBBY of Androscoggin,  
Representative: GATTINE of Westbrook.

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

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

4 B. The Maine business must be determined by the authority to be a manufacturer or a  
5 value-added natural resource enterprise; must provide a product or service that is sold  
6 or rendered, or is projected to be sold or rendered, predominantly outside of the State  
7 and must maintain more than 50% of its employees in positions within the State;  
8 must be engaged in the development or application of advanced technologies; or must  
9 be certified as a visual media production company under Title 5, section 13090-L.  
10 The business must certify that the amount of the investment is necessary to allow the  
11 business to create or retain jobs in the State.

12 **Sec. 2. 10 MRSA §1100-T, sub-§2, ¶C**, as amended by PL 2003, c. 451, Pt. E,  
13 §2, is further amended to read:

14 C. Aggregate investment eligible for tax credits may not be more than \$5,000,000  
15 \$3,500,000 for any one business as of the date of issuance of a tax credit certificate.

16 **Sec. 3. 10 MRSA §1100-T, sub-§2-C, ¶B**, as amended by PL 2013, c. 438, §4,  
17 is further amended to read:

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

- 22 (1) Is a manufacturer or a value-added natural resource enterprise;  
23 (2) Is engaged in the development or application of advanced technologies;  
24 (3) Provides a service that is sold or rendered, or is projected to be sold or  
25 rendered, predominantly outside of the State and maintains more than 50% of its  
26 employees in positions within the State; or  
27 (5) Is certified as a visual media production company under Title 5, section  
28 13090-L.

29 **Sec. 4. 10 MRSA §1100-T, sub-§2-C, ¶C**, as enacted by PL 2011, c. 454, §6, is  
30 amended to read:

31 C. Aggregate investment eligible for tax credit certificates, including investments  
32 under this subsection and under subsection 2, may not be more than \$5,000,000  
33 \$3,500,000 for any one eligible business.

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

36 **4. Total of credits authorized.** The authority may issue tax credit certificates to  
37 investors eligible pursuant to subsections 2, 2-A and 2-C in an aggregate amount not to  
38 exceed \$2,000,000 up to and including calendar year 1996, \$3,000,000 up to and

1 including calendar year 1997, \$5,500,000 up to and including calendar year 1998,  
2 \$8,000,000 up to and including calendar year 2001, \$11,000,000 up to and including  
3 calendar year 2002, \$14,000,000 up to and including calendar year 2003, \$17,000,000 up  
4 to and including calendar year 2004, \$20,000,000 up to and including calendar year 2005,  
5 \$23,000,000 up to and including calendar year 2006, \$26,000,000 up to and including  
6 calendar year 2007 and \$30,000,000 up to and including calendar year 2013, in addition  
7 to which, the authority may issue tax credit certificates to investors eligible pursuant to  
8 subsections 2, 2-A and 2-C in an annual amount not to exceed \$675,000 for investments  
9 made between January 1, 2014 and December 31, 2014, \$4,000,000 for investments made  
10 in calendar year 2015 ~~and~~, \$5,000,000 each year for investments made in calendar years  
11 beginning with 2016 to 2019 and \$10,000,000 each year for investments made in  
12 calendar years beginning with 2020. The authority may provide that investors eligible for  
13 a tax credit under this section in a year when there is insufficient credit available are  
14 entitled to take the credit when it becomes available subject to limitations established by  
15 the authority by rule. Rules adopted pursuant to this subsection are routine technical  
16 rules as defined in Title 5, chapter 375, subchapter 2-A.

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## SUMMARY

18 This bill increases the total annual aggregate amount of credits that may be issued  
19 under the Maine Seed Capital Tax Credit Program from \$5,000,000 to \$10,000,000,  
20 decreases the total aggregate credits that may be authorized for any one business from  
21 \$5,000,000 to \$3,500,000 and requires that eligible businesses that provide a product or  
22 service that is sold or rendered predominantly outside the State maintain more than 50%  
23 of their employees in positions within the State.