



# 132nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2025

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Legislative Document

No. 554

S.P. 211

In Senate, February 11, 2025

**An Act to Encourage Resident-owned Communities and  
Cooperatives and Preserve Affordable Housing Through Tax  
Credits**

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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 RENY of Lincoln.

Cosponsored by Senators: BAILEY of York, CURRY of Waldo, Representatives: DOUDERA of Camden, FARRIN of Jefferson, GERE of Kennebunkport, GRAMLICH of Old Orchard Beach.

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

2 **Sec. 1. 36 MRSA §5122, sub-§2, ¶AAA** is enacted to read:

3 AAA. For taxable years beginning on or after January 1, 2025, to the extent included  
4 in federal adjusted gross income and to the extent otherwise subject to state income  
5 tax, an amount equal to any gain recognized on the sale by the taxpayer of an ownership  
6 interest greater than 50% in a qualified business if the business provides housing and  
7 was transferred to a consumer cooperative organized under Title 13, chapter 85,  
8 subchapter 1 or a cooperative affordable housing corporation organized under Title 13,  
9 chapter 85, subchapter 1-A.

10 (1) The deduction allowed pursuant to this paragraph may not exceed \$750,000.

11 (2) For purposes of this paragraph, "qualified business" means a business whose  
12 securities are not publicly traded on any stock exchange, including a corporation,  
13 an S corporation, a limited liability company, a limited liability partnership, a sole  
14 proprietorship and all entities that are not publicly traded and are related by  
15 common majority ownership or control, and:

16 (a) That is registered with the Secretary of State; or

17 (b) Whose principal place of business is within the State.

18 **Sec. 2. 36 MRSA §5200-A, sub-§2, ¶JJ** is enacted to read:

19 JJ. For taxable years beginning on or after January 1, 2025, to the extent included in  
20 federal taxable income and to the extent otherwise subject to state income tax, an  
21 amount equal to any gain recognized on the sale by the taxpayer of an ownership  
22 interest greater than 50% in a qualified business if the business provides housing and  
23 was transferred to a consumer cooperative organized under Title 13, chapter 85,  
24 subchapter 1 or a cooperative affordable housing corporation organized under Title 13,  
25 chapter 85, subchapter 1-A.

26 (1) The deduction allowed pursuant to this paragraph may not exceed \$750,000.

27 (2) For purposes of this paragraph, "qualified business" means a business whose  
28 securities are not publicly traded on any stock exchange, including a corporation,  
29 an S corporation, a limited liability company, a limited liability partnership, a sole  
30 proprietorship and all entities that are not publicly traded and are related by  
31 common majority ownership or control, and:

32 (a) That is registered with the Secretary of State; or

33 (b) Whose principal place of business is within the State.

34 **Sec. 3. Evaluation; specific public policy objective; performance measures.**

35 The tax deductions provided under this Act are subject to ongoing legislative review in  
36 accordance with the Maine Revised Statutes, Title 3, chapter 37. The Office of Program  
37 Evaluation and Government Accountability shall include review of tax deductions  
38 provided under this Act in its regular schedule of tax expenditure reviews. In developing  
39 evaluation parameters to perform the evaluation, the Office of Program Evaluation and  
40 Government Accountability, the Government Oversight Committee and the joint standing  
41 committee of the Legislature having jurisdiction over taxation matters shall consider:

