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Date: (Filing No. S-)

TAXATION

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STATE OF MAINE

SENATE

130TH LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to S.P. 97, L.D. 229, “An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program”

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 10 MRSA §1100-T, sub-§2, ¶C, as amended by PL 2019, c. 616, Pt. LL, §2, is further amended to read:

C. Aggregate investment eligible for tax credits may not be more than \$5,000,000 for any one business as of the date of issuance of a tax credit certificate. Beginning with investments made on or after April 1, 2020, aggregate investment eligible for tax credits may not be more than \$3,500,000 for any one business as of the date of issuance of a tax credit certificate and not more than \$2,000,000 for any calendar year. Notwithstanding the other provisions of this paragraph, with respect to a business that was approved by the authority as an eligible business under this subsection before April 1, 2020, the aggregate investment eligible for tax credits may not be more than \$5,000,000 for that business as of the date of the issuance of the tax credit certificate, and the \$2,000,000 annual limitation does not apply.

Sec. 2. 10 MRSA §1100-T, sub-§2-C, ¶C, as amended by PL 2019, c. 616, Pt. LL, §7, is further amended to read:

C. Aggregate investment eligible for tax credit certificates, including investments under this subsection and under subsection 2, may not be more than \$5,000,000 for any one eligible business. Beginning with investments made on or after April 1, 2020, aggregate investment eligible for tax credit certificates, including investments under this subsection and under subsection 2, may not be more than \$3,500,000 for any one eligible business in total and not more than \$2,000,000 for any calendar year. Notwithstanding the other provisions of this paragraph, with respect to a business that was approved by the authority as an eligible business under this subsection before April 1, 2020, the aggregate investment eligible for tax credits may not be more than

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1 \$5,000,000 for that business as of the date of the issuance of the tax credit certificate,
2 and the \$2,000,000 annual limitation does not apply.

3 **Sec. 3. 10 MRSA §1100-T, sub-§2-C, ¶D,** as amended by PL 2019, c. 616, Pt.
4 LL, §8, is further amended to read:

5 D. The investment with respect to which any private venture capital fund is applying
6 for a tax credit certificate may not be more than the lesser of an amount equal to
7 \$500,000 times the number of investors in the private venture capital fund and an
8 aggregate of \$4,000,000 in any one eligible business invested in by a private venture
9 capital fund in any 3 consecutive calendar years. For investments made on or after
10 April 1, 2020, the investment with respect to which any private venture capital fund is
11 applying for a tax credit certificate may not be more than the lesser of an amount equal
12 to \$500,000 times the number of investors in the private venture capital fund and an
13 aggregate of \$3,500,000 in any one eligible business invested in by a private venture
14 capital fund, but investments in a business that was approved by the authority as an
15 eligible business under this subsection before April 1, 2020 with respect to which any
16 private venture capital fund is applying for a tax credit certificate may not be more than
17 the lesser of an amount equal to \$500,000 times the number of investors in the private
18 venture capital fund and an aggregate of \$4,000,000 for that eligible business. This
19 paragraph does not limit other investment by an applicant for which that applicant is
20 not applying for a tax credit certificate. A private venture capital fund must certify to
21 the authority that it will be in compliance with these limitations. The tax credit
22 certificate issued to a private venture capital fund may be revoked and any credit taken
23 recaptured pursuant to Title 36, section 5216-B, subsection 5 if the fund is not in
24 compliance with this paragraph.'

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

27 **SUMMARY**

28 This amendment replaces the bill. The amendment provides that for investments
29 approved for the seed capital tax credit by the Finance Authority of Maine prior to April 1,
30 2020, the limits on investments eligible for the credit are the limits that applied in 2020.