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TAXATION

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STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 281, L.D. 743, Bill, "An Act To Extend and Improve the Maine Seed Capital Tax Credit Program"

Amend the bill by inserting before section 1 the following:

'Sec. 1. 10 MRSA §963-A, sub-§50-A is enacted to read:

'50-A. Value-added. "Value-added" means that an enhancement to a product or service that increases the value or marketability of the product or service has been applied.'

Amend the bill in section 1 in subsection 1-A in the last line (page 1, line 13 in L.D.) by striking out the following: "proposed"

Amend the bill in section 2 in subsection 2 in the first line (page 1, line 16 in L.D.) by inserting after the following: "credit certificate" the following: 'for individuals and entities other than venture capital funds'

Amend the bill in section 2 in subsection 2 in paragraph B in the 2nd line (page 1, line 35 in L.D.) by striking out the following: "producer of a value-added natural resource product" and inserting the following 'value-added natural resource enterprise'

Amend the bill in section 2 in subsection 2 in paragraph B in the 2nd line from the end (page 1, line 40 in L.D.) by inserting after the following: "certify that" the following: 'the amount of'

Amend the bill in section 3 in the first line (page 2, line 32 in L.D.) by striking out the following: "D, E and H" and inserting the following: 'D and E'

Amend the bill in section 3 in paragraph B in the 2nd line (page 2, line 35 in L.D.) by striking out the following: "an investment" and inserting the following: 'the amount of the investment'

Amend the bill in section 3 in paragraph B by striking out all of subparagraph (1) (page 2, line 38 in L.D.) and inserting the following:

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

COMMITTEE AMENDMENT

1 Amend the bill in section 3 in paragraph D in the 2nd line (page 3, line 5 in L.D.) by
2 inserting after the following: "more than" the following: 'the lesser of an amount equal to
3 \$500,000 times the number of investors in the private venture capital fund and'

4 Amend the bill in section 3 by striking out all of paragraph H.

5 Amend the bill in section 4 in subsection 4 in the 7th line from the end (page 4, line
6 12 in L.D.) by striking out the following: "June" and inserting the following: 'July'

7 Amend the bill by striking out all of section 6.

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

10 **SUMMARY**

11 This amendment clarifies that investors other than private venture capital funds are
12 eligible for a tax credit certificate. It requires businesses applying under the Maine Seed
13 Capital Tax Credit Program to certify that the amount of the credit is necessary to allow
14 the business to create or retain jobs in the State. It adds a definition of "value-added" and
15 applies it to the term "natural resource enterprise," which is a defined term. It limits the
16 availability of the tax credit for private venture capital funds to \$500,000 times the
17 number of investors in the fund or \$4,000,000, whichever is less.