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TAXATION

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STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 375, L.D. 1200, Bill, "An Act To Amend the Maine Seed Capital Tax Credit Program"

Amend the bill by striking out all of section 1 and inserting the following:

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

A. For investments made in tax years beginning before January 1, 2012, a tax credit certificate may be issued in an amount not more than 40% of the amount of cash actually invested in an eligible Maine business in any calendar year or in an amount not more than 60% of the amount of cash actually invested in any one calendar year in an eligible Maine business located in a high-unemployment area, as determined by rule by the authority. For investments made in tax years beginning on or after January 1, 2012, a tax credit certificate may be issued to an investor other than a private venture capital fund in an amount not more than 60% of the amount of cash actually invested in an eligible Maine business in any calendar year. For investments made in tax years beginning on or after January 1, 2014, a tax credit certificate may be issued to an investor other than a private venture capital fund in an amount not more than 50% of the amount of cash actually invested in an eligible Maine business in any calendar year. For investments made after April 1, 2019, a tax credit certificate may be issued to an investor other than a private venture capital fund in an amount not more than 40% of the amount of cash actually invested in an eligible Maine business in any calendar year. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 10 MRSA §1100-T, sub-§2, ¶I, as enacted by PL 2001, c. 642, §7 and affected by §12, is amended to read:

I. The business receiving the investment may not be in violation of the requirements of subsection 6 Z.'

Amend the bill by inserting after section 2 the following:

COMMITTEE AMENDMENT

1 **'Sec. 3. 10 MRSA §1100-T, sub-§2-A, ¶B,** as amended by PL 2009, c. 470, §3,
2 is further amended to read:

3 B. As used in this subsection, unless the context otherwise indicates, an "eligible
4 business" means a business located in the State that:

- 5 (1) Is a manufacturer;
- 6 (2) Is engaged in the development or application of advanced technologies;
- 7 (3) Provides a product or service that is sold or rendered, or is projected to be
8 sold or rendered, predominantly outside of the State;
- 9 (4) Brings capital into the State, as determined by the authority; or
- 10 (5) Is certified as a visual media production company under Title 5, section
11 13090-L.'

12 Amend the bill by striking out all of section 4 and inserting the following:

13 **'Sec. 4. 10 MRSA §1100-T, sub-§2-C, ¶B,** as amended by PL 2013, c. 438, §4,
14 is further amended to read:

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

- 19 (1) Is a manufacturer or a value-added natural resource enterprise;
- 20 (2) Is engaged in the development or application of advanced technologies;
- 21 (3) Provides a product or service that is sold or rendered, or is projected to be
22 sold or rendered, predominantly outside of the State; or
- 23 (5) Is certified as a visual media production company under Title 5, section
24 13090-L.'

25 Amend the bill by striking out all of section 7 and inserting the following:

26 **'Sec. 7. 10 MRSA §1100-T, sub-§4,** as amended by PL 2013, c. 438, §5, is
27 further amended to read:

28 **4. Total of credits authorized.** The authority may issue tax credit certificates to
29 investors eligible pursuant to subsections 2, 2-A and 2-C in an aggregate amount not to
30 exceed \$2,000,000 up to and including calendar year 1996, \$3,000,000 up to and
31 including calendar year 1997, \$5,500,000 up to and including calendar year 1998,
32 \$8,000,000 up to and including calendar year 2001, \$11,000,000 up to and including
33 calendar year 2002, \$14,000,000 up to and including calendar year 2003, \$17,000,000 up
34 to and including calendar year 2004, \$20,000,000 up to and including calendar year 2005,
35 \$23,000,000 up to and including calendar year 2006, \$26,000,000 up to and including
36 calendar year 2007 and \$30,000,000 up to and including calendar year 2013, in addition
37 to which, the authority may issue tax credit certificates to investors eligible pursuant to
38 subsections 2, 2-A and 2-C in an annual amount not to exceed \$675,000 for investments

1 made between January 1, 2014 and December 31, 2014, \$4,000,000 for investments made
2 in calendar year 2015 ~~and~~, \$5,000,000 for investments made in calendar years 2016 to
3 2018, \$15,000,000 for investments made in calendar years 2019 to 2025 and \$5,000,000
4 each year for investments made in calendar years beginning with 2016 2026. The
5 authority may provide that investors eligible for a tax credit under this section in a year
6 when there is insufficient credit available are entitled to take the credit when it becomes
7 available subject to limitations established by the authority by rule. Rules adopted
8 pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375,
9 subchapter 2-A.

10 **Sec. 8. 10 MRSA §1100-T, sub-§6**, as amended by PL 2011, c. 454, §8, is
11 repealed.

12 **Sec. 9. 10 MRSA §1100-T, sub-§7** is enacted to read:

13 7. Reports. The following reports are required regarding activities under this
14 section.

15 A. A business eligible to have investors receive a tax credit under this section shall
16 report to the authority, in a manner to be determined by the authority, the following
17 information regarding its activities in the State over the calendar year in which the
18 investment occurred and for each additional year for which a credit is claimed:

19 (1) The total amount of private investment received by the eligible business from
20 each investor eligible to receive a tax credit;

21 (2) The total number of persons employed by the eligible business as of
22 December 31st;

23 (3) The total number and geographic location of jobs created and retained by the
24 eligible business stated separately for all jobs in the State and for those jobs that
25 would not have been created or retained in the absence of the credit;

26 (4) Total annual payroll of the eligible business stated separately for all
27 employees in the State and for those employees who would not have been
28 employed in the absence of the credit; and

29 (5) Total sales revenue of the eligible business stated separately within and
30 outside the State.

31 B. An investor eligible for a tax credit under this section shall notify the authority
32 when a business that received an investment from that investor eligible for a credit
33 under this section ceases operations and the likely reasons for the cessation of
34 business.

35 C. The authority shall report annually to the joint standing committee of the
36 Legislature having jurisdiction over taxation matters and to the Office of Program
37 Evaluation and Government Accountability on all activity under this section during
38 the prior calendar year. The authority shall identify in its report businesses receiving
39 investments eligible for a credit under this section and the authority's determination
40 as to whether the investments would have been made in the absence of the credit.

41 **Sec. 10. 36 MRSA §5216-B, sub-§6** is enacted to read:

