



**Written Testimony by William Norbert
Governmental Affairs and Communications Manager**

Neither For Nor Against Portions of L.D. 1493

An Act to Eliminate Tax and Wage Incentives for Visual Media Production Companies

May 13, 2025

Joint Standing Committee on Taxation

Senator Grohoski, Representative Cloutier, and Distinguished Members of the Joint Standing Committee on Taxation:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I am submitting this testimony Neither For Nor Against Sections 2, 3, and 4 of L.D. 1493, *An Act to Eliminate Tax and Wage Incentives for Visual Media Production Companies*.

This bill would repeal the provisions of law governing certified visual media production credits as they relate to the Seed Capital Tax Credit Program and to the separate but related Certified Visual Media Production Credit established at 36 MRSA §5219-Y. My testimony is limited to Sections 2, 3, and 4 of the bill, which relate to the FAME-administered Seed Capital Tax Credit Program.

FAME has administered the Seed Capital Tax Credit Program since its creation by the Legislature in 1987-88. The credit is designed to encourage equity and near-equity investments in eligible Maine businesses, directly and through private venture capital funds. FAME may authorize state income tax credits or re-fundable tax credits to investors for 40% of the cash equity they provide to eligible Maine businesses. Eligible businesses under the program include businesses located in the state that are: (1) manufacturers; (2) engaged in the development or application of advanced technologies; (3) providing a product or service that is sold or rendered, or is projected to be sold or rendered, predominantly outside of the state; (4) bringing capital into the state; or (5) certified by the Department of Economic and Community Development as a visual media production company pursuant to 5 MRSA §13090-L.

Visual media production companies were added to the program as eligible businesses by the Legislature in 2009-2010. Over the years, FAME has approved tax credit certificates for five visual media production companies. All were approved

between 2014-2019. Total investments related to these companies were \$1,158,999.98. Total tax credits issued were \$527,747.49 (credits issued between 2011–2021).

We do not have strong feelings about removing this category of eligible businesses from the program statute considering its limited activity and impact.

Thank you for your consideration of my comments.