

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 8, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

LD 1109, An Act To Clarify the Maine New Markets Capital Investment Program Tax Credit (EMERGENCY)

Summary: This bill amends the laws governing the Maine New Markets Capital Investment Program tax credit to clarify that the limitation on the amount of investment that may be made with respect to certain qualified active low-income community businesses is \$40,000,000 per project constructed, maintained or operated.

Public Hearing:

Proponents

- The sponsor presented the bill and provided written testimony.
- Testimony in support of the bill was provided by a cosponsor, the Department of Economic and Community Development, a representative of Cate Street Capital and an attorney representing Great Northern Paper Company.
- *Major points:* needed to complete financing for Themogen, a torrefied wood production facility; under current law unable to use credit for this project due to common ownership with Great Northern Paper; more in-line with federal program

Opposed - None

NFNA

- A representative of the Finance Authority of Maine (FAME) provided testimony ‘neither for nor against’ the bill.
- *Major points:* need clarification on items listed in testimony

The testimony presented at the public hearing can be found at:

<http://www.mainelegislature.org/legis/bills/testimony.html?snum=126&PID=1456#>

Amendment proposed: An amendment is proposed to address the issues raised by FAME.

Additional information: IRS publication on the federal program can be found at:

<http://www.irs.gov/pub/irs-utl/atgnmtc.pdf>

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis sheet was finalized. The most current fiscal information can be found online at:

www.mainelegislature.org/LawMakerWeb/search.asp.