

**CHAPTER 822****TAX CREDITS****§5213. New jobs credit****(REPEALED)****SECTION HISTORY**

PL 1977, c. 686, §15 (NEW).

**§5213-A. Sales tax fairness credit**

For tax years beginning on or after January 1, 2016, individuals are allowed a credit as computed under this section against the taxes imposed under this Part. [PL 2015, c. 267, Pt. DD, §19 (NEW).]

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. For tax years beginning before January 1, 2018, "base credit" means:

- (1) For an individual income tax return claiming one personal exemption, \$100 for tax years beginning in 2016 and \$125 for tax years beginning on or after January 1, 2017;
- (2) For an individual income tax return claiming 2 personal exemptions, \$140 for tax years beginning in 2016 and \$175 for tax years beginning on or after January 1, 2017;
- (3) For an individual income tax return claiming 3 personal exemptions, \$160 for tax years beginning in 2016 and \$200 for tax years beginning on or after January 1, 2017; and
- (4) For an individual income tax return claiming 4 or more personal exemptions, \$180 for tax years beginning in 2016 and \$225 for tax years beginning on or after January 1, 2017.

For the purposes of this paragraph, personal exemption does not include a personal exemption for an individual who is incarcerated. [PL 2017, c. 474, Pt. B, §8 (AMD).]

A-1. For tax years beginning on or after January 1, 2018, "base credit" means:

- (1) For single individuals, \$125;
- (2) For individuals filing joint returns or as heads of households, \$175 plus an additional amount equal to:
  - (a) For individuals filing joint returns, \$25 if they can claim the federal child tax credit pursuant to the Code, Section 24 for no more than one qualifying child or dependent or \$50 if they can claim the credit for more than one qualifying child or dependent; or
  - (b) For individuals filing as heads of households, \$25 if they can claim the federal child tax credit pursuant to the Code, Section 24 for 2 qualifying children or dependents or \$50 if they can claim the credit for more than 2 qualifying children or dependents. [PL 2017, c. 474, Pt. B, §9 (NEW).]

B. "Income" means federal adjusted gross income increased by the following amounts:

- (1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;

- (2) Interest received to the extent not included in federal adjusted gross income;
- (3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and
- (4) The following amounts deducted in arriving at federal adjusted gross income:
  - (a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);
  - (b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);
  - (c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);
  - (d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);
  - (e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);
  - (f) Moving expenses pursuant to the Code, Section 62(a)(15);
  - (g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);
  - (h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);
  - (i) The self-employed health insurance deduction pursuant to the Code, Section 162(l);
  - (j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);
  - (k) Alimony paid pursuant to the Code, Section 62(a)(10);
  - (l) The IRA deduction pursuant to the Code, Section 62(a)(7);
  - (m) The student loan interest deduction pursuant to the Code, Section 62(a)(17); and
  - (n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18). [PL 2017, c. 474, Pt. B, §10 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

[PL 2017, c. 474, Pt. B, §§8-10 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

**2. Credit for resident taxpayer.** A resident individual is allowed a credit equal to the applicable base credit amount, subject to the phase-out provisions under subsection 4.  
[PL 2015, c. 267, Pt. DD, §19 (NEW).]

**3. Credit for part-year resident taxpayer.** A taxpayer who files a return as a part-year resident in accordance with section 5224-A is allowed a credit equal to the applicable base credit amount, subject to the phase-out provisions under subsection 4, multiplied by a ratio, the numerator of which is the individual's income as modified by section 5122 for that portion of the taxable year during which the individual was a resident plus the individual's income from sources within this State, as determined under section 5142, for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire income, as modified by section 5122.  
[PL 2015, c. 267, Pt. DD, §19 (NEW).]

**4. Phase-out of credit.** The credit allowed under this section is phased out as follows.

A. For single individuals, the credit is reduced by \$10 for every \$500 or portion thereof that exceeds \$20,000 of the income. [PL 2015, c. 267, Pt. DD, §19 (NEW).]

B. For unmarried individuals or legally separated individuals who qualify as heads of households, the credit is reduced by \$15 for every \$750 or portion thereof that exceeds \$30,000 of the income.  
[PL 2015, c. 267, Pt. DD, §19 (NEW).]

C. For individuals filing married joint returns or surviving spouses permitted to file joint returns, the credit is reduced by \$20 for every \$1,000 or portion thereof that exceeds \$40,000 of the income. [PL 2015, c. 267, Pt. DD, §19 (NEW).]  
[PL 2015, c. 267, Pt. DD, §19 (NEW).]

**5. Refundability of credit.** The tax credit allowed under this section is refundable. [PL 2015, c. 267, Pt. DD, §19 (NEW).]

**6. Limitations.** The following individuals do not qualify for the credit under this section:

A. Married taxpayers filing separate returns; [PL 2017, c. 474, Pt. B, §11 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

B. Individuals who do not qualify as resident individuals because they do not meet the requirements of section 5102, subsection 5, paragraph A; or [PL 2017, c. 474, Pt. B, §11 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

C. Individuals who may be claimed as a dependent on another taxpayer's return. [PL 2017, c. 474, Pt. B, §11 (NEW); PL 2017, c. 474, Pt. B, §26 (AFF).]  
[PL 2017, c. 474, Pt. B, §11 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

#### SECTION HISTORY

RR 2015, c. 1, §42 (COR). PL 2015, c. 267, Pt. DD, §19 (NEW). PL 2015, c. 328, §4 (AMD). PL 2017, c. 474, Pt. B, §§8-11 (AMD). PL 2017, c. 474, Pt. B, §26 (AFF).

#### §5214. Legislative findings and purpose

**(REPEALED)**

#### SECTION HISTORY

PL 1977, c. 722 (NEW). PL 1981, c. 364, §68 (RP).

#### §5214-A. Credit to beneficiary for accumulation distribution

**1. General.** A beneficiary of a trust whose adjusted gross income includes all or part of an accumulation distribution by that trust, as defined in the Code, Section 665, or its equivalent, shall be allowed a credit against the tax otherwise due under this Part for all or a proportionate part of any tax paid by the trust under this Part for any preceding taxable year which would not have been payable if the trust had in fact made distribution to its beneficiaries at the times and in the amounts specified in the Code, Section 666, or its equivalent.  
[PL 1987, c. 504, §30 (AMD).]

**2. Limitation on credit.** The credit under this section may not reduce the tax otherwise due from the beneficiary under this Part to an amount less than would have been due if the accumulation distribution or that beneficiary's part of the accumulation distribution were excluded from that beneficiary's adjusted gross income.  
[RR 2025, c. 1, Pt. F, §26 (COR).]

#### SECTION HISTORY

PL 1985, c. 783, §36 (NEW). PL 1987, c. 504, §30 (AMD). RR 2025, c. 1, Pt. F, §26 (COR).

#### §5215. Jobs and investment tax credit

**1. Credit allowed.** A taxpayer, other than a public utility as defined by Title 35-A, section 102, is allowed a credit to be computed as provided in this section against the tax imposed by this Part, subject to the limitations contained in subsection 3. The amount of the credit equals the qualified federal credit, as defined in subsection 2, for taxable years beginning on or after January 1, 1979, except that a credit may be taken with respect to used property, and may not be allowed with respect to an excluded investment.

[PL 1997, c. 504, §14 (AMD).]

**2. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Qualified federal credit" means, with respect to any taxable year, that portion of the credit allowed by the Internal Revenue Code of 1954, Section 38(b)(1), as of December 31, 1985, that is directly and solely attributable to qualified investment with a location in this State. [PL 1997, c. 504, §15 (AMD).]

A-1. "Excluded investment" means an investment related to a retail facility, unless the taxpayer can demonstrate to the satisfaction of the State Tax Assessor that the commercial result of the project or projects to which the credit relates has not or will not result in a substantial detriment to existing businesses in the State. [PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

A-2. "Retail facility" does not include a facility primarily engaged in warehousing, order taking, manufacturing, storage or distribution, even when a portion of the facility is used to make retail sales of tangible personal property directly from the facility. [PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

B. The term "new jobs credit base" means the excess of Bureau of Unemployment Compensation wages for the taxable year of the qualified investment or either of the next 2 calendar years over the Bureau of Unemployment Compensation wages for the highest of the 3 calendar years preceding the year of the qualified investment. In computing its new jobs credit base, a successor-taxpayer shall add to its own Bureau of Unemployment Compensation wages the Bureau of Unemployment Compensation wages of its predecessor. [PL 1995, c. 560, Pt. G, §19 (AMD).]

C. The term "Bureau of Unemployment Compensation wages" means the total amount of wages paid by an employer subject to tax under Title 26, section 1221, less any excesses attributable to statutory increases. [PL 1995, c. 560, Pt. G, §20 (AMD).]

D. "Successor-taxpayer" means a taxpayer that has acquired, within 4 years of its taxable year-end, the organization, trade or business, or 50% or more of the assets of the organization, trade or business, of another taxpayer that, at the time of the acquisition, was an employing unit. [PL 1993, c. 672, §1 (AMD); PL 1993, c. 672, §2 (AFF).]

E. "Used property" means property that is originally placed in service by the taxpayer outside of this State. The cost of property used by the taxpayer outside of this State and then placed into service in this State on or after January 1, 1997 is the original cost of the property to the taxpayer, minus the straight-line depreciation allowable for the tax years or portions of the tax years during which the taxpayer used the property outside of this State. The cost of property used by the taxpayer outside of this State and then placed into service in this State before to January 1, 1997 is the original cost of the property. [PL 1997, c. 504, §16 (NEW).]

[PL 1997, c. 504, §§15,16 (AMD).]

**3. Limitations.** The tax credit for any taxable year is applicable only to those taxpayers:

A. With property considered to be qualified investment of at least \$5,000,000 for that taxable year with a situs in the State and placed in service by the taxpayer after January 1, 1979; and [PL 2003, c. 391, §7 (AMD).]

B. With payroll records and reports substantiating that at least 100 new jobs attributable to the operation of property considered to be qualified investment were created in the 24-month period following the date the property was placed in service. To assess the continuing nature of the jobs, the taxpayer must demonstrate that the new jobs credit base is at least \$700,000 for the taxable year of the qualified federal credit or for either of the next 2 calendar years. The \$700,000 must be adjusted proportionally for any change in Title 26, section 1043, subsection 2 wages from \$7,000.

With respect to new jobs created after August 1, 1998, but before October 1, 2001, the employer must also demonstrate that the qualifying jobs are covered by a retirement program subject to the Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as amended; that group health insurance is provided for employees in those positions; and that the wages for those positions, calculated on a calendar year basis, are greater than the most recent average annual wage in the labor market area in which the employee is employed. [PL 2003, c. 391, §8 (AMD).]

C. [PL 1999, c. 414, §46 (RP); PL 1999, c. 414, §56 (AFF).]  
[PL 2003, c. 391, §§7, 8 (AMD).]

**4. Carry-over.** The amount of credit that may be used by a taxpayer for any taxable year may not exceed either \$500,000 or the amount of tax otherwise due, whichever is less. Any unused credit may be carried over to the following year or years for a period not to exceed 7 years, including the year the credit was first taken, and may be deducted from the taxpayer's tax for that year or those years, subject to the same limitations provided in this subsection.

[PL 1993, c. 672, §1 (AMD); PL 1993, c. 672, §2 (AFF).]

**5. Carry-back.** There may be no carry-back to prior years of the amount of credit allowable under this section.

[PL 1993, c. 672, §1 (AMD); PL 1993, c. 672, §2 (AFF).]

**6. Recapture.** If, during any taxable year, any qualified investment property is disposed of, or otherwise ceases to be property covered by subsection 3, paragraph A with respect to the taxpayer, before the end of the useful life that was taken into account in computing the credit under subsection 1, then the tax under this Part for that taxable year must be increased by an amount equal to the aggregate decrease in the credit allowed under subsection 1 for all prior taxable years that would have resulted solely from substituting for the useful life, in determining qualified investment under the Internal Revenue Code of 1954 as of December 31, 1985, the period beginning with the time the property was placed in service by the taxpayer and ending with the time the property ceased to be property covered by subsection 3.

[PL 2007, c. 627, §89 (AMD).]

**6-A. Affiliated groups; tax years prior to January 1, 1995.** This subsection applies retroactively to all tax years beginning before the effective date of this subsection as well as prospectively to all tax years beginning on or after the effective date of this subsection but prior to January 1, 1995 and for which the taxpayer's right to file an original or amended return had not or has not expired at the time of the taxpayer's filing of the return. In the case of corporations that are members of an affiliated group engaged in a unitary business, the credit provided for in this section applies as follows.

A. The credit provided for in this section, in an amount equal to the aggregate qualified federal credit for all taxable corporations that are members of an affiliated group engaged in a unitary business, must be allowed against the total tax liability of all the taxable corporations that are members of the affiliated group engaged in a unitary business if the taxable corporations that are members of the affiliated group have, in the aggregate:

- (1) Property considered to be qualified investment of at least \$5,000,000 for that taxable year with a situs in the State and placed in service by the taxable corporations after January 1, 1979;
- (2) Payroll records and reports substantiating that at least 200 new jobs attributable to the operation of property considered to be qualified investment were created in the 12-month period following the date the property was placed in service; and
- (3) A new jobs credit base of at least \$1,400,000 for the taxable year of the qualified federal credit or the next calendar year. The \$1,400,000 must be adjusted proportionally for any

change in Title 26, section 1043, subsection 2 wages from \$7,000. [PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

B. The amount of the credit that may be used in any taxable year may not exceed the lesser of \$300,000 or the total amount of tax liability otherwise due of all taxable corporations that are members of an affiliated group engaged in a unitary business. Any unused credit may be carried over to the following year or years for a period not to exceed 7 years, including the year the credit was first taken, and may be deducted from the tax imposed by this Part for that year or those years, subject to the same limitations provided in this subsection. [PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

The credit must be apportioned among the taxable corporations in the affiliated group in the same proportion that the tax liability of each taxable corporation in the affiliated group bears to the total tax liability of all the taxable corporations in the affiliated group.

[PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

**6-B. Affiliated groups; tax years beginning on or after January 1, 1995.** This subsection applies to tax years beginning on or after January 1, 1995. In the case of corporations that are members of an affiliated group engaged in a unitary business, the credit provided for in this section applies as follows.

A. The credit provided for in this section, in an amount equal to the aggregate qualified federal credit for all taxable corporations that are members of an affiliated group engaged in a unitary business, must be allowed against the total tax liability of all the taxable corporations that are members of the affiliated group engaged in a unitary business if the taxable corporations that are members of the affiliated group have, in the aggregate:

- (1) Property considered to be qualified investment of at least \$5,000,000 for that taxable year with a situs in the State and placed in service by the taxable corporations after January 1, 1979;
- (2) Payroll records and reports substantiating that at least 100 new jobs attributable to the operation of property considered to be qualified investment were created in the 24-month period following the date the property was placed in service; and
- (3) A new jobs credit base of at least \$700,000 for the taxable year of the qualified federal credit or either of the next 2 calendar years. The \$700,000 must be adjusted proportionally for any change in Title 26, section 1043, subsection 2 wages from \$7,000. [PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

B. The amount of the credit that may be used in any taxable year may not exceed the lesser of \$500,000 or the total amount of tax liability otherwise due of all taxable corporations that are members of an affiliated group engaged in a unitary business. Any unused credit may be carried over to the following year or years for a period not to exceed 7 years, including the year the credit was first taken, and may be deducted from the tax imposed by this Part for that year or those years, subject to the same limitations provided in this subsection. [PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

The credit must be apportioned among the taxable corporations in the affiliated group in the same proportion that the tax liability of each taxable corporation in the affiliated group bears to the total tax liability of all the taxable corporations in the affiliated group.

[PL 1993, c. 672, §1 (NEW); PL 1993, c. 672, §2 (AFF).]

**6-C. Application.** Except for the credit allowed with respect to the carry-over of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

[PL 2015, c. 267, Pt. DD, §20 (NEW).]

**7. Legislative findings.** The Legislature finds that encouragement of the growth of major industry in the State is in the public interest and promotes the general welfare of the people of the State; that the use of investment tax credits to encourage industry to make substantial capital investments in the State is necessary to promote the purpose of the Legislature of encouraging the growth of industry; and that the requirements of at least \$5,000,000 in qualified investment in the State and an increase of at least 100 new jobs following the investment are reasonable qualifying criteria for the application of an investment tax credit and will best promote substantial capital investment in the State.

[PL 1993, c. 672, §1 (AMD); PL 1993, c. 672, §2 (AFF).]

**8. Report on jobs and investment tax credit.**

[PL 2001, c. 652, §10 (RP).]

**SECTION HISTORY**

PL 1977, c. 722 (NEW). PL 1979, c. 541, §A237 (AMD). PL 1981, c. 364, §69 (AMD). PL 1985, c. 535, §§16-18 (AMD). PL 1987, c. 504, §31 (AMD). PL 1987, c. 772, §39 (AMD). PL 1987, c. 880, §§1-3 (AMD). PL 1993, c. 395, §21 (AMD). PL 1993, c. 672, §1 (AMD). PL 1993, c. 672, §2 (AFF). PL 1995, c. 560, §§G19,20 (AMD). PL 1997, c. 504, §§14-16 (AMD). PL 1997, c. 761, §§3,4 (AMD). PL 1999, c. 414, §§45,46 (AMD). PL 1999, c. 414, §56 (AFF). PL 1999, c. 708, §44 (AMD). PL 2001, c. 652, §10 (AMD). PL 2003, c. 391, §§7,8 (AMD). PL 2007, c. 627, §89 (AMD). PL 2015, c. 267, Pt. DD, §20 (AMD).

**§5216. Credit for investment in The Maine Capital Corporation or the Maine Natural Resource Capital Company**

**(REPEALED)**

**SECTION HISTORY**

PL 1981, c. 364, §70 (NEW). PL 1983, c. 519, §§26,27 (AMD). PL 1983, c. 700, §§5,6 (AMD). PL 1985, c. 344, §98 (AMD). PL 1985, c. 714, §§41-43 (AMD).

**§5216-A. Credit for investment in the Maine Natural Resource Capital Company**

**(REPEALED)**

**SECTION HISTORY**

PL 1985, c. 714, §44 (NEW). PL 1987, c. 854, §§3,5 (RP).

**§5216-B. Seed capital investment tax credit**

**1. Definitions.** As used in this section, unless the context indicates otherwise, the following terms have the following meanings.

A. "Certificate" means a tax credit certificate issued by the Finance Authority of Maine pursuant to Title 10, chapter 110, subchapter IX. [PL 1987, c. 854, §§4, 5 (NEW).]

B. "Investment" means an investment for which a certificate has been received. [PL 1987, c. 854, §§4, 5 (NEW).]

C. "Investor" means a taxpayer or private venture capital fund that has received a certificate. [PL 2011, c. 454, §14 (AMD).]

D. "Private venture capital fund" has the same meaning as under Title 10, section 1100-T, subsection 1-A. [PL 2011, c. 454, §15 (NEW).]

[PL 2011, c. 454, §§14, 15 (AMD).]

**2. Credit.** An investor is entitled to a credit against the tax otherwise due under this Part equal to the amount of the tax credit certificate issued by the Finance Authority of Maine in accordance with Title 10, section 1100-T and as limited by this section. Except with respect to tax credit certificates

issued under Title 10, section 1100-T, subsection 2-C, in the case of partnerships, limited liability companies, S corporations, nontaxable trusts and any other entities that are treated as flow-through entities for tax purposes under the Code, the individual partners, members, stockholders, beneficiaries or equity owners of such entities must be treated as the investors under this section and are allowed a credit against the tax otherwise due from them under this Part in proportion to their respective interests in those partnerships, limited liability companies, S corporations, trusts or other flow-through entities. Except as limited or authorized by subsection 3 or 4, 25% of the credit must be taken in the taxable year in which the investment is made and 25% per year must be taken in each of the next 3 taxable years. With respect to tax credit certificates issued under Title 10, section 1100-T, subsection 2-C, the credits are refundable and the investor shall file a return requesting a refund for an investment for which it has received a tax credit certificate in the calendar year following the calendar year during which the investment was made.

[PL 2017, c. 170, Pt. E, §3 (AMD).]

**3. Limitation.** With respect to tax credit certificates issued under Title 10, section 1100-T, subsection 2 or 2-A, the amount of the credit allowed under this section for any one taxable year may not exceed 50% of the tax imposed by this Part on the investor for the taxable year before application of the credit.

[PL 2011, c. 454, §17 (AMD).]

**4. Carry forward.** Credits not taken because of the limitation in subsection 3 shall be taken in the next taxable year in which the credit may be taken, provided that the limitation of subsection 3 shall also apply to the carry-forward years. In no case may this carry-forward period exceed 15 years.

[PL 1987, c. 854, §§4, 5 (NEW).]

**5. Recapture.** In the event that the Finance Authority of Maine revokes a certificate, there must be added to the tax imposed on the investor under this Part for the taxable year in which the revocation occurs an amount equal to the total amount of credit authorized and revoked minus the amount of credit not yet taken.

[PL 2011, c. 454, §18 (AMD).]

**6. Evaluation; specific public policy objective; performance measures.** The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. The Office of Program Evaluation and Government Accountability shall submit an evaluation of the credit provided under this section to the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters. In developing evaluation parameters to perform the review, the office shall consider:

A. That the specific public policy objectives of the credit provided under this section are:

- (1) To increase job opportunities for residents of the State in businesses that export products or services from the State;
- (2) To increase private investment in small new and existing businesses, especially those that experience significant difficulty in the absence of investment incentives in obtaining equity financing to carry the businesses from start-up through initial development; and
- (3) To increase municipal tax bases; and [PL 2019, c. 616, Pt. LL, §12 (NEW).]

B. Performance measures, including, but not limited to:

- (1) The number and geographic distribution of full-time employees added or retained during a period being reviewed who would not have been added or retained in the absence of the credit;
- (2) The amount of qualified investment in eligible businesses during the period being reviewed;

(3) The change in the number of businesses created or retained in the State as a result of the credit;

(4) Measures of fiscal impact and overall economic impact to the State; and

(5) The amount of the tax revenue loss for each year being reviewed divided by the number of jobs created or retained. [PL 2019, c. 616, Pt. LL, §12 (NEW).]

[PL 2019, c. 616, Pt. LL, §12 (NEW).]

#### SECTION HISTORY

PL 1987, c. 854, §§4,5 (NEW). PL 1999, c. 752, §4 (AMD). PL 2001, c. 446, §4 (AMD). PL 2001, c. 446, §6 (AFF). PL 2001, c. 642, §11 (AMD). PL 2001, c. 642, §12 (AFF). PL 2003, c. 20, §X6 (AMD). PL 2003, c. 451, §E8 (AMD). PL 2011, c. 454, §§14-18 (AMD). PL 2013, c. 438, §6 (AMD). PL 2015, c. 300, Pt. A, §41 (AMD). PL 2017, c. 170, Pt. E, §3 (AMD). PL 2019, c. 616, Pt. LL, §12 (AMD).

#### **§5216-C. Contributions to family development account reserve funds**

**(REPEALED)**

#### SECTION HISTORY

PL 1999, c. 475, §6 (NEW). PL 1999, c. 475, §7 (AFF). PL 2015, c. 267, Pt. DD, §21 (RP). PL 2015, c. 267, Pt. DD, §34 (AFF).

#### **§5216-D. Maine Fishery Infrastructure Investment Tax Credit Program**

**(REPEALED)**

#### SECTION HISTORY

PL 2011, c. 380, Pt. HHHH, §3 (NEW). PL 2011, c. 548, §30 (AMD). PL 2011, c. 548, §36 (AFF). PL 2011, c. 644, §28 (AMD). PL 2011, c. 644, §33 (AFF). PL 2019, c. 401, Pt. C, §11 (RP). PL 2019, c. 401, Pt. C, §16 (AFF).

#### **§5217. Employer-assisted day care**

**1. Credit allowed.** A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part for each taxable year equal to the lowest of:

A. Five thousand dollars; [PL 1987, c. 769, Pt. A, §159 (RPR).]

B. Twenty percent of the costs incurred by the taxpayer in providing day care service for children of employees of the taxpayer; or [PL 1987, c. 769, Pt. A, §159 (RPR).]

C. One hundred dollars for each child of an employee of the taxpayer enrolled on a full-time basis, or each full-time equivalent, throughout the taxable year in day care service provided by the taxpayer or in the first year that the taxpayer provides day care services, for each child enrolled on a full-time basis, or each full-time equivalent, on the last day of the year. [PL 1987, c. 769, Pt. A, §159 (RPR).]

[PL 1987, c. 769, Pt. A, §159 (RPR).]

**2. Definitions.** As used in this section, unless the context indicates otherwise, the following terms have the following meanings.

A. "Employing unit" has the same meaning as in Title 26, section 1043. [PL 1987, c. 769, Pt. A, §159 (RPR).]

B. "Providing day care services" means expending funds to build, furnish, license, staff, operate or subsidize a day care center licensed by the Department of Health and Human Services to provide day care services to children of employees of the taxpayer at no profit to the taxpayer or to contract with a day care facility licensed by or registered with the department to provide day care services

to children of the employees of the taxpayer. "Providing day care services" also includes the provision of day care resource and referral services to employees and the provision of vouchers by an employer to an employee for purposes of paying for day care services for children of the employee. [PL 1987, c. 769, Pt. A, §159 (RPR); PL 2003, c. 689, Pt. B, §6 (REV).]

C. "Quality child care services" has the meaning set forth in section 5219-Q, subsection 1. [PL 2001, c. 396, §36 (AMD).]  
[PL 2001, c. 396, §36 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

**3. Carryover; carry back.** The amount of the credit that may be used by a taxpayer for a taxable year may not exceed the amount of tax otherwise due under this Part. Any unused credit may be carried over to the following year or years for a period not to exceed 15 years or it may be carried back for a period not to exceed 3 years.

[PL 1999, c. 708, §45 (AMD).]

**4. Quality child care services.** The credit allowed under subsection 1 doubles in amount if the day care service provided by the taxpayer constitutes quality child care services.

[PL 2001, c. 396, §37 (AMD).]

**5. Application.** Except for the credit allowed with respect to the carry-over of unused credit amounts pursuant to subsection 3, the credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

[PL 2015, c. 267, Pt. DD, §22 (NEW).]

#### SECTION HISTORY

PL 1987, c. 343, §11 (NEW). PL 1987, c. 504, §32 (NEW). PL 1987, c. 769, §A159 (RPR). PL 1999, c. 401, §§NNN3,4 (AMD). PL 1999, c. 401, §§NNN8,9 (AFF). PL 1999, c. 708, §45 (AMD). PL 2001, c. 358, §D1 (AFF). PL 2001, c. 396, §§36,37 (AMD). PL 2003, c. 689, §B6 (REV). PL 2015, c. 267, Pt. DD, §22 (AMD).

#### §5217-A. Income tax paid to other taxing jurisdiction

A resident individual is allowed a credit against the tax otherwise due under this Part, excluding the tax imposed by section 5203-C, for the amount of income tax imposed on that individual for the taxable year by another state of the United States, a political subdivision of any such state, the District of Columbia or any political subdivision of a foreign country that is analogous to a state of the United States with respect to income subject to tax under this Part that is derived from sources in that taxing jurisdiction. In determining whether income is derived from sources in another jurisdiction, the assessor may not employ the law of the other jurisdiction but shall instead assume that a statute equivalent to section 5142 applies in that jurisdiction. The credit, for any of the specified taxing jurisdictions, may not exceed the proportion of the tax otherwise due under this Part, excluding the tax imposed by section 5203-C, that the amount of the taxpayer's Maine adjusted gross income derived from sources in that taxing jurisdiction bears to the taxpayer's entire Maine adjusted gross income; except that, when a credit is claimed for taxes paid to both a state and a political subdivision of a state, the total credit allowable for those taxes does not exceed the proportion of the tax otherwise due under this Part, excluding the tax imposed by section 5203-C, that the amount of the taxpayer's Maine adjusted gross income derived from sources in the other state bears to the taxpayer's entire Maine adjusted gross income. [PL 2003, c. 673, Pt. JJ, §4 (AMD); PL 2003, c. 673, Pt. JJ, §6 (AFF).]

#### SECTION HISTORY

PL 1987, c. 769, §A160 (NEW). PL 1991, c. 528, §N16 (AMD). PL 1991, c. 528, §§N17,RRR (AFF). PL 1991, c. 591, §N16 (AMD). PL 1991, c. 591, §N17 (AFF). PL 2003, c. 391, §9 (AMD). PL 2003, c. 673, §JJ4 (AMD). PL 2003, c. 673, §JJ6 (AFF).

#### §5217-B. Employer-provided long-term care benefits

**(REPEALED)**

## SECTION HISTORY

PL 1989, c. 556, §B11 (NEW). PL 1999, c. 521, §C7 (AMD). PL 1999, c. 521, §C9 (AFF). PL 2017, c. 170, Pt. E, §4 (RP).

**§5217-C. Employer-provided long-term care benefits on and after January 1, 2000**

**1. Credit.** A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part for each taxable year equal to the lowest of the following:

A. Five thousand dollars; [PL 1999, c. 521, Pt. C, §8 (NEW); PL 1999, c. 521, Pt. C, §9 (AFF).]

B. Twenty percent of the costs incurred by the taxpayer in providing eligible long-term care insurance as part of a benefit package; or [PL 2001, c. 679, §5 (AMD); PL 2001, c. 679, §6 (AFF).]

C. One hundred dollars for each employee covered by employer-provided eligible long-term care insurance. [PL 2001, c. 679, §5 (AMD); PL 2001, c. 679, §6 (AFF).]  
[PL 2001, c. 679, §5 (AMD); PL 2001, c. 679, §6 (AFF).]

**2. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Employing unit" has the same meaning as in Title 26, section 1043. [PL 1999, c. 521, Pt. C, §8 (NEW); PL 1999, c. 521, Pt. C, §9 (AFF).]

B. [PL 2001, c. 679, §5 (RP); PL 2001, c. 679, §6 (AFF).]

C. "Eligible long-term care insurance" means:

(1) For tax years beginning on or after January 1, 2000, a qualified long-term care insurance contract as defined in the Code, Section 7702B(b); and

(2) For tax years beginning on or after January 1, 2002, a contract specified in subparagraph (1) or a long-term care insurance policy certified by the Superintendent of Insurance under Title 24-A, section 5075-A. [PL 2001, c. 679, §5 (NEW); PL 2001, c. 679, §6 (AFF).]

[PL 2001, c. 679, §5 (AMD); PL 2001, c. 679, §6 (AFF).]

**3. Limitation.** The amount of the credit that may be used by a taxpayer for a taxable year may not exceed the amount of tax otherwise due under this Part. Any unused credit may be carried over to the following year or years for a period not to exceed 15 years.

[PL 1999, c. 521, Pt. C, §8 (NEW); PL 1999, c. 521, Pt. C, §9 (AFF).]

**4. Application.** Except for the credit allowed with respect to the carry-over of unused credit amounts pursuant to subsection 3, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

[PL 2015, c. 267, Pt. DD, §23 (NEW).]

## SECTION HISTORY

PL 1999, c. 521, §C8 (NEW). PL 1999, c. 521, §C9 (AFF). PL 2001, c. 679, §5 (AMD). PL 2001, c. 679, §6 (AFF). PL 2015, c. 267, Pt. DD, §23 (AMD).

**§5217-D. Credit for educational opportunity**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Benchmark loan payment" means the monthly loan payment for the amount of the principal cap paid over 10 years at the interest rate for federally subsidized Stafford loans under 20 United

States Code, Section 1077a applicable during the individual's last year of enrollment at an accredited Maine community college, college or university or an accredited non-Maine community college, college or university under paragraph G, subparagraph (1), division (b). [PL 2015, c. 267, Pt. QQQ, §1 (AMD); PL 2015, c. 267, Pt. QQQ, §6 (AFF).]

A-1. "Accredited non-Maine community college, college or university" means an institution located outside the State that is accredited by a regional accrediting association or by one of the specialized accrediting agencies recognized by the United States Secretary of Education. [PL 2011, c. 665, §7 (NEW); PL 2011, c. 665, §13 (AFF).]

A-2. "Accredited Maine community college, college or university" has the same meaning as in Title 20-A, section 12541, subsection 1. [PL 2013, c. 525, §15 (NEW).]

B. "Employer" has the same meaning as the term "employing unit," as defined in Title 26, section 1043, subsection 10. [PL 2007, c. 469, Pt. B, §1 (NEW).]

B-1. "Financial aid package" means financial aid obtained by a student for attendance at an accredited Maine community college, college or university. For purposes of a qualified individual claiming a credit under this section for tax years beginning on or after January 1, 2013 but before January 1, 2016 who is eligible for a credit under paragraph G, subparagraph (1), division (a), "financial aid package" may include financial aid obtained for up to 30 credit hours of course work at an accredited non-Maine community college, college or university earned prior to transfer to an accredited Maine community college, college or university, if the 30 credit hours were earned after December 31, 2007 and the transfer occurred after December 31, 2012. For purposes of a qualified individual claiming a credit under this section for tax years beginning on or after January 1, 2016 who is eligible for a credit under paragraph G, subparagraph (1), division (a-1), "financial aid package" may include financial aid obtained by a student for attendance at an accredited non-Maine community college, college or university after December 31, 2007. For purposes of a qualified individual claiming a credit under this section for tax years beginning on or after January 1, 2016 who is eligible for a credit under paragraph G, subparagraph (1), division (b), "financial aid package" may include financial aid obtained by a student for attendance at an accredited non-Maine community college, college or university after December 31, 2007. For purposes of a qualified individual claiming a credit under this section for tax years beginning on or after January 1, 2016 who is eligible for a credit under paragraph G, subparagraph (1), division (c), "financial aid package" may include financial aid obtained by a student for attendance at an accredited Maine college or university after December 31, 2007. For purposes of an employer claiming a credit under this section for tax years beginning on or after January 1, 2013, "financial aid package" may include financial aid obtained by a qualified employee for attendance at an accredited non-Maine community college, college or university. "Financial aid package" may include private loans or less than the full amount of loans under federal programs, depending on the practices of the accredited Maine or non-Maine community college, college or university. Loans are includable in the financial aid package only if entered into prior to July 1, 2023. [PL 2017, c. 288, Pt. A, §49 (RPR).]

C. "Full time" employment means employment with a normal workweek of 32 hours or more. [PL 2007, c. 469, Pt. B, §1 (NEW).]

D. "Part time" employment means employment with a normal workweek of between 16 and 32 hours. [PL 2007, c. 469, Pt. B, §1 (NEW).]

D-1. "Principal cap" means:

- (1) For an individual graduating from an accredited Maine community college, college or university before January 1, 2015, the amount calculated by the State Tax Assessor under Title 20-A, section 12542, former subsection 2-A;

(2) For an individual obtaining a bachelor's degree and graduating on or after January 1, 2015, the average in-state tuition and mandatory fees for attendance at the University of Maine System for the academic year ending during the calendar year prior to the year of graduation multiplied by 4;

(3) For an individual obtaining an associate degree and graduating on or after January 1, 2015, the average in-state tuition and mandatory fees for attendance at the Maine Community College System for the academic year ending during the calendar year prior to the year of graduation multiplied by 2; and

(4) For an individual obtaining a graduate degree and graduating from an accredited Maine college or university, the average in-state tuition and mandatory fees for attendance at the University of Maine System for the academic year ending during the calendar year prior to the year of graduation multiplied by 4. [PL 2015, c. 267, Pt. QQQ, §2 (AMD); PL 2015, c. 267, Pt. QQQ, §6 (AFF).]

E. "Qualified employee" means an employee who is employed at least part time and who is a qualified individual or who would be a qualified individual except that the employee's associate or bachelor's degree was awarded by an accredited non-Maine community college, college or university.

For tax years beginning on or after January 1, 2016, "qualified employee" means an employee who is employed at least part time and who is a qualified individual or who would be a qualified individual except that the employee's associate, bachelor's or graduate degree was awarded by an accredited non-Maine community college, college or university. [PL 2015, c. 482, §2 (AMD).]

F. [PL 2009, c. 553, Pt. B, §2 (RP); PL 2009, c. 553, Pt. B, §5 (AFF).]

G. "Qualified individual" means an individual, including the spouse filing a joint return with the individual under section 5221, who is eligible for the credit provided in this section. An individual is eligible for the credit if the individual:

(1) Attended and obtained:

(a) An associate or bachelor's degree from an accredited Maine community college, college or university after December 31, 2007 but before January 1, 2016. The individual need not obtain the degree from the institution in which that individual originally enrolled as long as all course work toward the degree is performed at an accredited Maine community college, college or university, except that an individual who transfers to an accredited Maine community college, college or university after December 31, 2012 but before January 1, 2016 from outside the State and earned no more than 30 credit hours of course work toward the degree at an accredited non-Maine community college, college or university after December 31, 2007 and prior to the transfer is eligible for the credit if all other eligibility criteria are met. Program eligibility for such an individual must be determined as if the commencement of course work at the relevant accredited Maine community college, college or university was the commencement of course work for the degree program as a whole. This division does not apply to tax years beginning after December 31, 2015;

(a-1) For tax years beginning on or after January 1, 2016, an associate or bachelor's degree from an accredited Maine community college, college or university after December 31, 2007 but before January 1, 2016, regardless of whether the individual earned credit hours of course work toward the degree outside the State;

(b) An associate or bachelor's degree from an accredited Maine or non-Maine community college, college or university after December 31, 2015; or

- (c) A graduate degree from an accredited Maine college or university after December 31, 2015;
- (4) During the taxable year, was a resident individual; and
- (5) Worked during the taxable year:
- (a) For tax years beginning prior to January 1, 2015, at least part time for an employer located in this State or, for tax years beginning on or after January 1, 2013, was, during the taxable year, deployed for military service in the United States Armed Forces, including the National Guard and the Reserves of the United States Armed Forces;
- (b) For tax years beginning on or after January 1, 2015, at least part time in this State for an employer or as a self-employed individual or was, during the taxable year, deployed for military service in the United States Armed Forces, including the National Guard and the Reserves of the United States Armed Forces; or
- (c) For tax years beginning on or after January 1, 2016, at least part time in a position on a vessel at sea.

As used in this subparagraph, "deployed for military service" means active military duty with the state military forces, as defined in Title 37-B, section 102, or the United States Armed Forces, including the National Guard and the Reserves of the United States Armed Forces, whether pursuant to orders of the Governor or the President of the United States. [PL 2019, c. 401, Pt. C, §12 (AMD); PL 2019, c. 401, Pt. C, §16 (AFF).]

H. "Resident individual" means someone:

- (1) Who is domiciled in this State; or
- (2) Who is not domiciled in this State, but maintains a permanent place of abode in this State and spends in the aggregate more than 183 days of the taxable year in this State, unless the individual is a member of the Armed Forces of the United States. [PL 2011, c. 665, §9 (RPR); PL 2011, c. 665, §13 (AFF).]

I. "Seasonal employment" has the same meaning as in Title 26, section 1251 and in regulations promulgated thereunder. [PL 2007, c. 469, Pt. B, §1 (NEW).]

J. "Term of employment" includes all months when the individual is actually employed. It includes time periods when an individual is on leave or vacation. It extends to the full year for individuals working for employers who customarily operate only during a regularly recurring period of 9 months or more in a calendar year. For individuals working for employers who customarily operate only during regularly recurring periods of less than 9 months in a calendar year, including seasonal employment, the term of employment extends only to months during which the individual is actually working. [PL 2013, c. 525, §15 (AMD).]

[PL 2019, c. 401, Pt. C, §12 (AMD); PL 2019, c. 401, Pt. C, §16 (AFF).]

**2. Credit allowed.** A qualified individual or an employer of a qualified employee is allowed a credit against the tax imposed by this Part in accordance with the provisions of this section. The credit is created to implement the Job Creation Through Educational Opportunity Program established under Title 20-A, chapter 428-C.

A. A taxpayer entitled to the credit for any taxable year may carry over and apply to the tax liability for any one or more of the next succeeding 10 years the portion, as reduced from year to year, of any unused credits. [PL 2011, c. 665, §10 (NEW); PL 2011, c. 665, §13 (AFF).]

B. A taxpayer may claim a credit based on loan payments actually made to a relevant lender or lenders under this section only with respect to loans that are part of the qualified individual's financial aid package and, for tax years beginning on or after January 1, 2015, only with respect to

loan payment amounts paid by the taxpayer during that part of the taxable year that the qualified individual worked in this State. Payment of loan amounts in excess of the amounts due during the taxable year does not qualify for the credit. For tax years beginning before January 1, 2015, refinanced loans that are part of the qualified individual's financial aid package are eligible for the credit under this section if the refinanced loans remain separate from other debt, including debt incurred in an educational program other than the degree program for which a credit is claimed under this section. For tax years beginning on or after January 1, 2015, refinanced loans or consolidated loans that are part of the qualified individual's financial aid package are eligible for the credit under this section if the refinanced loans or consolidated loans remain separate from other debt, except for debt incurred in an educational program, but only in proportion to the portion of the loan payments that are otherwise eligible under this section. Forbearance or deferment of loan payments does not affect eligibility for the credit under this section. For tax years beginning on or after January 1, 2015, an individual who worked in this State for any part of a month during the Maine residency period of the taxable year is considered to have worked in this State for the entire month. For tax years beginning on or after January 1, 2015, an individual who worked outside this State for an entire month during the Maine residency period is considered to have worked in this State during that month, except that in no case may this exception exceed 3 months during the Maine residency period of the taxable year. [PL 2015, c. 482, §4 (AMD).]

C. Except as provided in subsection 3, the credit under this section may not reduce the tax otherwise due under this Part to less than zero. [PL 2013, c. 525, §15 (AMD).]

D. [PL 2013, c. 525, §15 (RP).]  
[PL 2015, c. 482, §4 (AMD).]

**2-A. Limitation.** A credit claimed by a qualified individual based on eligibility under subsection 1, paragraph G, subparagraph (1), division (b) or (c) may be claimed only on returns filed for tax years beginning on or after January 1, 2016. A credit based on loan payments made prior to January 1, 2016 is not available to any individual based on eligibility under subsection 1, paragraph G, subparagraph (1), division (b) or (c).  
[PL 2015, c. 267, Pt. QQQ, §5 (NEW); PL 2015, c. 267, Pt. QQQ, §6 (AFF).]

**3. Calculation of the credit; qualified individuals.** Subject to subsection 2 and except as provided in this subsection, the credit with respect to a qualified individual is equal to the amount determined under paragraph A or paragraph B, whichever is less, multiplied by the proration factor:

A. The benchmark loan payment multiplied by the number of months during the taxable year in which the taxpayer made loan payments; or [PL 2013, c. 525, §15 (AMD).]

B. The monthly loan payment amount multiplied by the number of months during the taxable year in which the taxpayer made loan payments. [PL 2013, c. 525, §15 (AMD).]

C. [PL 2009, c. 553, Pt. B, §4 (RP); PL 2009, c. 553, Pt. B, §5 (AFF).]

The credit under this subsection for a qualified individual under subsection 1, paragraph G, subparagraph (1), division (a) who transferred to an accredited Maine community college, college or university from an accredited non-Maine community college, college or university after December 31, 2012 but before January 1, 2016 and who earned no more than 30 credit hours of course work toward the degree at an accredited non-Maine community college, college or university is equal to 50% of the amount otherwise determined under this section in the case of an associate degree and equal to 75% of the amount otherwise determined under this section in the case of a bachelor's degree.

Notwithstanding subsection 2, paragraph C, the credit under this subsection is refundable to the extent the credit is based on loans included in the financial aid package acquired to obtain a bachelor's degree or associate degree in science, technology, engineering or mathematics. For tax years beginning on or

after January 1, 2016, the credit under this subsection is refundable to the extent the credit is based on loans included in the financial aid package acquired to obtain an associate degree.

For purposes of this subsection, the proration factor is the amount derived by dividing the total number of academic credit hours earned for an associate, bachelor's or graduate degree after December 31, 2007 by the total number of academic credit hours earned for the associate, bachelor's or graduate degree. [PL 2017, c. 170, Pt. D, §8 (AMD).]

**4. Conditions for an opportunity program participant claiming the credit.**

[PL 2013, c. 525, §15 (RP).]

**5. Calculation of the credit; employers.** Subject to subsection 2, a taxpayer constituting an employer making loan payments directly to a lender during the taxable year on loans included in a qualified employee's financial aid package may claim a credit equal to the benchmark loan payment or the actual monthly loan payment made by the employer on the loans, whichever is less, multiplied by the number of months during the taxable year the employer made loan payments on behalf of the qualified employee during the term of employment. For tax years beginning on or after January 1, 2016, subject to subsection 2, a taxpayer constituting an employer making loan payments directly to a lender during the taxable year on loans included in a qualified employee's financial aid package may claim a credit equal to the actual monthly loan payment made by the employer on the loans multiplied by the number of months during the taxable year the employer made loan payments on behalf of the qualified employee during the term of employment. The credit under this subsection may not be claimed with respect to months of the taxable year during which the employee was not a qualified employee.

If the qualified employee is employed on a part-time basis during the taxable year, the credit with respect to that employee is limited to 50% of the credit otherwise determined under this subsection.

[PL 2015, c. 482, §5 (AMD).]

**6. Application.** Notwithstanding any provision of this section to the contrary, the credit provided by this section, including any carryover of excess credit from prior years, may not be claimed for tax years beginning on or after January 1, 2022.

[PL 2021, c. 635, Pt. H, §14 (NEW).]

**SECTION HISTORY**

PL 2007, c. 469, Pt. B, §1 (NEW). PL 2009, c. 434, §78 (AMD). PL 2009, c. 553, Pt. B, §§2-4 (AMD). PL 2009, c. 553, Pt. B, §5 (AFF). PL 2011, c. 665, §§7-12 (AMD). PL 2011, c. 665, §13 (AFF). PL 2013, c. 525, §15 (AMD). PL 2015, c. 267, Pt. QQQ, §§1-5 (AMD). PL 2015, c. 267, Pt. QQQ, §6 (AFF). PL 2015, c. 300, Pt. A, §42 (AMD). PL 2015, c. 328, §§5-7 (AMD). PL 2015, c. 482, §§1-5 (AMD). PL 2015, c. 494, Pt. A, §48 (AMD). PL 2017, c. 170, Pt. D, §8 (AMD). PL 2017, c. 288, Pt. A, §49 (AMD). PL 2019, c. 401, Pt. C, §12 (AMD). PL 2019, c. 401, Pt. C, §16 (AFF). PL 2021, c. 635, Pt. H, §14 (AMD).

**§5217-E. Student Loan Repayment Tax Credit**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Accredited community college, college or university" means an institution of higher education that is accredited by a regional accrediting association or by one of the specialized accrediting agencies recognized by the United States Secretary of Education. [PL 2021, c. 635, Pt. H, §15 (NEW).]

B. "Earned income" has the same meaning as in the Code, Section 32(c)(2). [PL 2021, c. 635, Pt. H, §15 (NEW).]

C. "Employer" has the same meaning as the term "employing unit," as defined in Title 26, section 1043, subsection 10. [PL 2021, c. 635, Pt. H, §15 (NEW).]

D. "Financial aid package" means financial aid obtained by a student for attendance at an accredited community college, college or university for an associate, bachelor's or graduate degree obtained by the student from an accredited community college, college or university after December 31, 2007. "Financial aid package" may include private loans or less than the full amount of loans under federal programs, depending on the practices of the accredited community college, college or university. [PL 2021, c. 635, Pt. H, §15 (NEW).]

E. "Qualified individual" means an individual, including the spouse filing a joint return under section 5221 with the individual, who is eligible for the credit provided in this section. An individual is eligible for the credit if the individual:

(1) Obtained an associate, bachelor's or graduate degree from an accredited community college, college or university after December 31, 2007;

(2) During the taxable year was a resident individual as defined in section 5102, subsection 5; and

(3) During the taxable year had earned income of at least the state minimum wage, as set out in Title 26, section 664, subsection 1, as adjusted for cost-of-living increases, as determined on January 1st of the taxable year, multiplied by 936 hours. The assessor may adopt rules reducing this amount if a portion of the taxable year falls within a disaster period. Rules adopted pursuant to this subparagraph are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A. [PL 2021, c. 635, Pt. H, §15 (NEW).]

F. "Regional accrediting association" means a regional accrediting association that is either:

(1) One of the United States accrediting associations or commissions that comprise the Council of Regional Accrediting Commissions or successor organization; or

(2) An accrediting association, commission or government entity not in the United States that is equivalent to an association or commission referred to in subparagraph (1) that is a reliable authority on the quality of the education or training provided by the institutions of higher education it accredits or charters and that applies standards substantially equivalent to those utilized by one of the United States accrediting associations or commissions that comprise the Council of Regional Accrediting Commissions or successor organization. [PL 2021, c. 635, Pt. H, §15 (NEW).]

[PL 2021, c. 635, Pt. H, §15 (NEW).]

**2. Credit allowed.** For taxable years beginning on or after January 1, 2022, a qualified individual is allowed a refundable credit against the tax imposed by this Part in accordance with the provisions of this section. The credit, with respect to a qualified individual, is equal to the amount of loan payments made directly by the taxpayer to the lender during the taxable year plus the amount of any carryover allowed in accordance with paragraph C, up to a maximum of \$2,500. The credit is created to implement the Job Creation Through Educational Opportunity Program established under Title 20-A, chapter 428-C.

A. A qualified individual may claim a credit under this section based on loan payments made directly by the taxpayer to a relevant lender or lenders only with respect to loans that are part of the qualified individual's financial aid package and only with respect to loan payment amounts paid directly by the taxpayer during that part of the taxable year that the qualified individual was a resident individual. Refinanced loans or consolidated loans that are part of the qualified individual's financial aid package are eligible for the credit under this section if the refinanced loans or consolidated loans remain separate from other debt, but only in proportion to the portion of the loan payments that are otherwise eligible under this section. [PL 2021, c. 635, Pt. H, §15 (NEW).]

B. Loans obtained from a person related to the qualified individual or from any person by reason of a loan under any qualified employer plan or under a contract referred to in the Code, Section 72(p)(5) do not qualify for the credit under this section. For purposes of this paragraph, a person is considered related to the qualified individual if that person meets the criteria listed in the Code, Section 267(b) or Section 707(b)(1). As used in this paragraph, "qualified employer plan" has the same meaning as in the Code, Section 72(p)(4). [PL 2021, c. 635, Pt. H, §15 (NEW).]

C. For taxable years beginning on or after January 1, 2022 and before January 1, 2027, a qualified individual with unused carryover credits pursuant to section 5217-D, subsection 2, paragraph A from the credit for educational opportunity generated in the 10 years from January 1, 2012 to December 31, 2021 may carry over and apply to the credit amount allowed pursuant to this section the portion, as reduced from year to year, of any unused credits. [PL 2021, c. 635, Pt. H, §15 (NEW).]

D. A qualified individual may only receive a credit otherwise allowed pursuant to this section up to a total lifetime credit cap amount of \$25,000. [PL 2021, c. 635, Pt. H, §15 (NEW).]

E. With respect to a qualified individual who received a credit pursuant to section 5217-D that reduced the qualified individual's tax liability or resulted in a refundable credit, to the extent the credit is based on loans included in the financial aid package acquired to obtain a bachelor's degree or associate degree in science, technology, engineering or mathematics in any taxable year beginning on or after January 1, 2019 and before January 1, 2022, the maximum credit allowed under this section is \$3,500 for the qualified individual's taxable year beginning in either 2022 or 2023, whichever taxable year is elected by the qualified individual. Any credit amount allowed in excess of \$2,500 as a result of this paragraph is not applied against the lifetime credit cap under paragraph D. [PL 2021, c. 635, Pt. H, §15 (NEW).]

[PL 2021, c. 635, Pt. H, §15 (NEW).]

#### SECTION HISTORY

PL 2021, c. 635, Pt. H, §15 (NEW).

#### **§5217-F. Employer support for volunteer firefighters, volunteer municipal emergency medical services persons and volunteer municipal firefighters**

For tax years beginning on or after January 1, 2022, an employer who employs an individual who is a volunteer firefighter, a volunteer municipal emergency medical services person or, for tax years beginning on or after January 1, 2025, a volunteer municipal firefighter and who permits that employee to respond to fire calls or emergency medical services calls, as appropriate, during hours when the employee is scheduled to work without a reduction in pay is eligible for a credit against the tax imposed by this Part equal to the compensation that is paid to the employee at the employee's regular rate of pay during the time when the employee is away from work due to firefighting or emergency response responsibilities. For the purposes of this subsection, "volunteer firefighter" has the same meaning as in Title 30-A, section 3151, subsection 4; "volunteer municipal emergency medical services person" means an emergency medical services person as defined in Title 32, section 83, subsection 12 who responds to emergency medical services calls from a municipality and who receives no compensation from the municipality other than injury and death benefits; and "volunteer municipal firefighter" has the same meaning as in Title 30-A, section 3151, subsection 5. [PL 2023, c. 478, §3 (AMD).]

#### SECTION HISTORY

PL 2021, c. 731, §5 (NEW). PL 2023, c. 478, §3 (AMD).

#### **§5218. Income tax credit for child care expenses**

**1. Resident taxpayer.** A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses

in the same tax year, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.

[PL 2005, c. 519, Pt. DD, §1 (AMD).]

**2. Nonresident taxpayer.** A nonresident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.

[PL 2005, c. 519, Pt. DD, §2 (AMD).]

**2-A. Part-year resident taxpayer.** An individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 25%, except that for tax years beginning in 2003, 2004 and 2005 the applicable percentage is 21.5%, instead of 25%, of the federal tax credit allowable for child and dependent care expenses multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2005, c. 519, Pt. DD, §3 (AMD).]

**3. Quality child care services.** The credit provided by subsections 1, 2 and 2-A doubles in amount if the child care expenses were incurred through the use of quality child care services as defined in section 5219-Q, subsection 1.

[PL 2003, c. 391, §10 (AMD).]

**4. Refund.** The credit allowed by this section may result in a refund of up to \$500 except, in the case of a nonresident individual, the credit may not reduce the Maine income tax to less than zero. In the case of an individual who files a return as a part-year resident in accordance with section 5224-A, the refundable portion of the credit may not exceed \$500 multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2015, c. 267, Pt. DD, §24 (AMD); PL 2015, c. 267, Pt. DD, §34 (AFF).]

#### SECTION HISTORY

PL 1987, c. 504, §32 (NEW). PL 1987, c. 772, §40 (AMD). PL 1999, c. 401, §NNN5 (AMD). PL 1999, c. 401, §NNN8,9 (AFF). PL 1999, c. 521, §B6 (RPR). PL 1999, c. 521, §B11 (AFF). PL 2001, c. 358, §D1 (AFF). PL 2001, c. 396, §38 (RPR). PL 2003, c. 20, §FF1 (AMD). PL 2003, c. 391, §10 (AMD). PL 2005, c. 12, §§L2-4 (AMD). PL 2005, c. 519, §§DD1-3 (AMD). PL 2015, c. 267, Pt. DD, §24 (AMD). PL 2015, c. 267, Pt. DD, §34 (AFF).

#### §5218-A. Income tax credit for adult dependent care expenses

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Adult day care" has the same meaning as in Title 22, section 6202, subsection 1. [PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

B. "Adult dependent care expenses" means expenses paid during the taxable year for adult day care, hospice services and respite care for a qualifying individual to the extent not used to calculate the credit under the Code, Section 21. [PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

C. "Applicable percentage" has the same meaning as in the Code, Section 21(a)(2). [PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

D. "Hospice services" has the same meaning as in Title 22, section 8621, subsection 11. [PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

E. "Qualifying individual" has the same meaning as in the Code, Section 21(b)(1)(B) and Section 21(b)(1)(C), except that "qualifying individual" does not include an individual who has not attained 21 years of age as of the last day of the taxpayer's tax year. [PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

F. "Respite care" has the same meaning as in Title 34-B, section 6201, subsection 2-A. [PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]  
[PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

**2. Credit for resident taxpayer.** A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the applicable percentage of adult dependent care expenses paid during the taxable year.  
[PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

**3. Credit for nonresident taxpayer.** A nonresident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the applicable percentage of adult dependent care expenses paid during the taxable year, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122.  
[PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

**4. Credit for part-year resident taxpayer.** An individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the applicable percentage of adult dependent care expenses paid during the taxable year, multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.  
[PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

**5. Maximum expenses.** Adult dependent care expenses allowed under this section may not exceed \$3,000 for one qualifying individual or \$6,000 for 2 or more qualifying individuals.  
[PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

**6. Refund.** The credit allowed by this section may result in a refund of up to \$500. In the case of a nonresident individual, the refundable portion of the credit may not exceed \$500 multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122. In the case of an individual who files a return as a part-year resident in accordance with section 5224-A, the refundable portion of the credit may not exceed \$500 multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion

of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2015, c. 340, §4 (NEW); PL 2015, c. 340, §5 (AFF).]

#### SECTION HISTORY

PL 2015, c. 340, §4 (NEW). PL 2015, c. 340, §5 (AFF).

#### **§5219. Income tax credit for installation of renewable energy systems**

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 504, §32 (NEW). PL 1989, c. 502, §B61 (RPR).

#### **§5219-A. Retirement and disability credit**

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 504, §32 (NEW). PL 1999, c. 521, §B7 (RPR). PL 1999, c. 521, §B11 (AFF). PL 2003, c. 390, §§46,47 (AMD). PL 2015, c. 267, Pt. DD, §25 (RP). PL 2015, c. 267, Pt. DD, §34 (AFF).

#### **§5219-B. Conformity credit**

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 504, §32 (NEW). PL 2001, c. 177, §5 (RP).

#### **§5219-C. Forest management planning income credits**

**(REPEALED)**

#### SECTION HISTORY

PL 1989, c. 501, §P32 (NEW). PL 1989, c. 530, §2 (NEW). PL 1989, c. 585, §C17 (NEW). PL 1989, c. 702, §E14 (AMD). PL 1991, c. 377, §20 (RPR). PL 2007, c. 437, §18 (AMD). PL 2007, c. 437, §22 (AFF). PL 2007, c. 627, §90 (AMD). PL 2015, c. 267, Pt. DD, §26 (RP). PL 2015, c. 267, Pt. DD, §34 (AFF).

#### **§5219-D. Solid waste reduction investment tax credit**

**(REPEALED)**

#### SECTION HISTORY

PL 1989, c. 927, §6 (NEW). RR 1991, c. 2, §139 (COR). PL 1991, c. 528, §§R10,11 (AMD). PL 1991, c. 591, §§R10,11 (AMD). PL 1991, c. 591, §R19 (AFF). PL 1991, c. 846, §§36,37 (AMD). PL 1993, c. 433, §2 (AMD). PL 1995, c. 368, §NN3 (AMD). PL 1995, c. 656, §§A16,17 (AMD). PL 1997, c. 504, §17 (AMD). PL 2005, c. 618, §10 (RP). PL 1991, c. 528, §§R19,RRR (AFF).

#### **§5219-E. Investment tax credit**

**(REPEALED)**

#### SECTION HISTORY

PL 1991, c. 377, §21 (NEW). PL 1991, c. 528, §§N18,BBB1 (AMD). PL 1991, c. 528, §§N19,RRR (AFF). PL 1991, c. 591, §§N18,BBB1 (AMD). PL 1991, c. 591, §N19 (AFF). PL

1993, c. 671, §3 (AMD). PL 1995, c. 368, §FFF1 (AMD). PL 1995, c. 368, §FFF3 (AFF). PL 1997, c. 24, §C11 (AMD). PL 2009, c. 496, §24 (RP).

#### **§5219-F. Reclaimed wood waste and cedar waste credit**

**(REPEALED)**

##### SECTION HISTORY

PL 1989, c. 935, §2 (NEW). PL 1991, c. 528, §N20 (AMD). PL 1991, c. 528, §§N21,RRR (AFF). PL 1991, c. 591, §N20 (AMD). PL 1991, c. 591, §N21 (AFF). MRSA T. 36 §5219-F, sub-§7 (RP).

#### **§5219-G. Tax credits for partners, S corporation shareholders and beneficiaries of estates and trusts**

**1. Tax credits for partners and S corporation shareholders.** Each partner of a partnership or shareholder of an S corporation is allowed a credit against the tax imposed by this Part in an amount equal to the partner's or shareholder's pro rata share of the tax credits described in this chapter, except that in the case of credits attributable to a financial institution subject to tax under chapter 819, the credits are allowable only against the tax imposed by that chapter. A partner's pro rata share must equal the partner's percentage interest in the taxable income or loss of the partnership for federal income tax purposes for the taxable year. The pro rata share of a shareholder of an S corporation must equal the shareholder's percentage share of stock of the S corporation as of the end of the taxable year.

[PL 1999, c. 708, §46 (AMD).]

**2. Tax credits for beneficiaries of estates and trusts.** Each beneficiary of an estate or trust is allowed a credit against the tax imposed by this Part in an amount equal to the beneficiary's pro rata share of the tax credits described in this chapter. A beneficiary's pro rata share must equal the beneficiary's share of federal distributable net income of the estate or trust. If the estate or trust has no federal distributable net income for the taxable year, the share of each beneficiary in the applicable tax credits is in proportion to that beneficiary's share of the estate or trust income for that year, under local law or the terms of the instrument, which is required to be distributed currently, and any other amounts of income distributed in that year. Any balance of the applicable credits is allocated to the estate or trust.

[PL 1999, c. 521, Pt. B, §8 (NEW); PL 1999, c. 521, Pt. B, §11 (AFF).]

##### SECTION HISTORY

PL 1991, c. 546, §34 (NEW). PL 1997, c. 746, §20 (AMD). PL 1997, c. 746, §24 (AFF). PL 1999, c. 521, §B8 (RPR). PL 1999, c. 521, §B11 (AFF). PL 1999, c. 708, §46 (AMD).

#### **§5219-H. Application of credits against taxes**

**1. Meaning of tax.** Whenever a credit provision in this chapter, other than section 5216-B, section 5219-W, section 5219-BB and the income tax credit under the Maine New Markets Capital Investment Program under Title 10, section 1100-Z, allows for a credit "against the tax otherwise due under this Part," "against the tax imposed by this Part" or similar language, "tax" means all taxes imposed under this Part, except the minimum tax imposed by section 5203-C and the taxes imposed by chapter 827.

A. [PL 2003, c. 673, Pt. F, §1 (RP); PL 2003, c. 673, Pt. F, §2 (AFF).]

B. [PL 2003, c. 673, Pt. F, §1 (RP); PL 2003, c. 673, Pt. F, §2 (AFF).]

[PL 2011, c. 644, §29 (AMD); PL 2011, c. 644, §32 (AFF).]

**2. Meaning of tax liability.** Whenever a credit provided for in this chapter is limited by reference to tax liability, "tax liability" means the taxpayer's liability for all taxes imposed under this Part, except the minimum tax imposed by section 5203-C and the taxes imposed by chapter 827.

A. [PL 2003, c. 673, Pt. F, §1 (RP); PL 2003, c. 673, Pt. F, §2 (AFF).]

B. [PL 2003, c. 673, Pt. F, §1 (RP); PL 2003, c. 673, Pt. F, §2 (AFF).]  
[PL 2011, c. 240, §36 (AMD).]

#### SECTION HISTORY

PL 1991, c. 528, §BBB2 (NEW). PL 1991, c. 528, §RRR (AFF). PL 1991, c. 591, §BBB2 (NEW). PL 2003, c. 673, §F1 (RPR). PL 2003, c. 673, §F2 (AFF). PL 2011, c. 240, §36 (AMD). PL 2011, c. 644, §29 (AMD). PL 2011, c. 644, §32 (AFF).

#### §5219-I. Nursing home care credit

**(REPEALED)**

#### SECTION HISTORY

PL 1993, c. 410, §YY3 (NEW). PL 1993, c. 410, §YY6 (AFF). PL 1993, c. 711, §1 (RP). PL 1993, c. 711, §3 (AFF).

#### §5219-J. Catastrophic health expense credit

**(REPEALED)**

#### SECTION HISTORY

PL 1993, c. 711, §2 (NEW). PL 1993, c. 711, §3 (AFF). PL 1995, c. 665, §E3 (RP). PL 1995, c. 665, §E4 (AFF).

#### §5219-K. Research expense tax credit

**1. Credit allowed.** A taxpayer is allowed a credit against the tax due under this Part equal to the sum of 5% of the excess, if any, of the qualified research expenses for the taxable year over the base amount and 7.5% of the basic research payments determined under the Code, Section 41(e)(1)(A). The term "base amount" means the average amount per year spent on qualified research expenses over the previous 3 taxable years by the taxpayer. As used in this section, unless the context otherwise indicates, the terms "qualified research expenses," "qualified organization base period amount," "basic research" and any other terms affecting the calculation of the credit have the same meanings as under the Code, Section 41, but apply only to expenditures for research conducted in this State. In determining the amount of the credit allowable under this section, the State Tax Assessor may aggregate the activities of all corporations that are members of a controlled group of corporations, as defined by the Code, Section 41(f)(1)(A) and in addition may aggregate the activities of all entities, whether or not incorporated, that are under common control, as defined by the Code, Section 41(f)(1)(B).  
[PL 2007, c. 627, §91 (AMD).]

**2. Reduction not less than zero.** The credit allowed under this section for any taxable year may not reduce the tax due to less than zero.  
[PL 1995, c. 368, Pt. GGG, §7 (NEW).]

**3. Limitation on credit allowed.** The credit allowed under this section is limited to 100% of a corporation's first \$25,000 of tax due, as determined before the allowance of any credits, plus 75% of the corporation's tax due, as determined in excess of \$25,000. The assessor may adopt rules similar to those authorized under the Code, Section 38(c)(6)(B).  
[PL 2023, c. 360, Pt. B, §11 (AMD).]

**4. Corporations filing combined return.** In the case of corporations filing a combined return, a credit generated by an individual member corporation under the provisions of this section must first be applied against the tax due attributable to that company under this Part. A member corporation with an excess research and development credit may apply its excess credit against the tax due of another group member to the extent that that other member corporation can use additional credits under the limitations of subsection 3. Unused, unexpired credits generated by a member corporation may be carried over

from year to year by the individual corporation that generated the credit, subject to the limitation in subsection 5.

[PL 1997, c. 504, §18 (AMD).]

**5. Carryover to succeeding years.** A taxpayer entitled to a credit under this section for any taxable year may carry over and apply to the tax due for any one or more of the next succeeding 15 taxable years the portion, as reduced from year to year, of the credit that exceeds the tax due for the taxable year. A taxpayer may carry over and apply to the tax due for any subsequent taxable year the portion of those credits, as reduced from year to year, not allowed by subsection 3.

[PL 1995, c. 368, Pt. GGG, §7 (NEW).]

**6. Additional rules.** The State Tax Assessor may adopt such rules as are necessary to implement this section.

[PL 2023, c. 360, Pt. B, §12 (AMD).]

**7. Application.** This section applies to any tax year beginning on or after January 1, 1996.

[PL 1995, c. 368, Pt. GGG, §7 (NEW).]

#### SECTION HISTORY

PL 1995, c. 368, §GGG7 (NEW). PL 1997, c. 504, §18 (AMD). PL 1999, c. 127, §B9 (AMD). PL 2007, c. 627, §§91, 92 (AMD). PL 2023, c. 360, Pt. B, §§11, 12 (AMD).

#### §5219-L. Super credit for substantially increased research and development

**1. Super credit allowed for substantial expansions of research and development.** For tax years beginning before January 1, 2014, a taxpayer that qualifies for the research expense tax credit allowed under section 5219-K is allowed an additional credit against the tax due under this Part equal to the excess, if any, of qualified research expenses for the taxable year over the super credit base amount. For purposes of this section, "super credit base amount" means the average amount spent on qualified research expenses by the taxpayer in the 3 taxable years immediately preceding the effective date of this section, increased by 50%. For purposes of this section, "qualified research expenses" has the same meaning as under the Code, Section 41 but applies only to expenditures for research conducted in this State.

[PL 2013, c. 502, Pt. J, §1 (AMD); PL 2013, c. 502, Pt. J, §3 (AFF).]

**2. Amount of super credit allowed.** The credit allowed under this section is limited to 50% of the taxpayer's tax due after the allowance of any other credits taken pursuant to this chapter.

[PL 1997, c. 557, Pt. B, §10 (NEW); PL 1997, c. 557, Pt. B, §14 (AFF); PL 1997, c. 557, Pt. G, §1 (AFF).]

**3. Carry over to succeeding years.** A taxpayer entitled to a credit under this section for any taxable year may carry over and apply to the tax due for any one or more of the next succeeding 10 taxable years the portion, as reduced from year to year, of any unused credit, but in no event may the credit applied in any single year exceed 25% of the taxpayer's tax due after the allowance of any other credits taken pursuant to this chapter.

[PL 2013, c. 502, Pt. J, §2 (AMD); PL 2013, c. 502, Pt. J, §3 (AFF).]

**4. Limitation.** The credit provided by this section may not be used to reduce the taxpayer's tax liability under this Part to less than the amount of the taxpayer's tax due in the preceding taxable year after the allowance of any credits taken pursuant to this chapter.

[PL 1997, c. 557, Pt. B, §10 (NEW); PL 1997, c. 557, Pt. B, §14 (AFF); PL 1997, c. 557, Pt. G, §1 (AFF).]

**5. Corporations filing combined returns.** In the case of corporations filing a combined return, a credit generated by an individual member corporation under the provisions of this section must first be applied against the tax due attributable to that company under this Part. A member corporation with

an excess research and development credit may apply its excess credit against the tax due of another group member to the extent that that other member corporation can use additional credits under the limitations of subsection 4. Unused, unexpired credits generated by a member corporation may be carried over from year to year by the individual corporation that generated the credit, subject to the limitation in subsection 3.

[PL 1997, c. 557, Pt. B, §10 (NEW); PL 1997, c. 557, Pt. B, §14 (AFF); PL 1997, c. 557, Pt. G, §1 (AFF).]

#### SECTION HISTORY

PL 1997, c. 557, §B10 (NEW). PL 1997, c. 557, §§B14,G1 (AFF). PL 2007, c. 627, §93 (AMD). PL 2013, c. 502, Pt. J, §§1, 2 (AMD). PL 2013, c. 502, Pt. J, §3 (AFF).

#### §5219-M. High-technology investment tax credit

##### (REPEALED)

#### SECTION HISTORY

PL 1997, c. 557, §B10 (NEW). PL 1997, c. 557, §§B14,G1 (AFF). PL 1997, c. 668, §§31-34 (AMD). PL 1997, c. 668, §42 (AFF). PL 1999, c. 414, §47 (AMD). PL 2001, c. 358, §§M1-5 (AMD). PL 2001, c. 358, §M6 (AFF). PL 2003, c. 673, §§G1,2 (AMD). PL 2003, c. 673, §G3 (AFF). PL 2015, c. 267, Pt. DD, §§27, 28 (AMD). PL 2025, c. 113, Pt. C, §4 (RP).

#### §5219-N. Low-income tax credit

##### (REPEALED)

#### SECTION HISTORY

PL 1997, c. 557, §E1 (NEW). PL 1997, c. 557, §§E2,G1 (AFF). PL 2003, c. 390, §48 (AMD). PL 2003, c. 673, §JJ5 (AMD). PL 2003, c. 673, §JJ6 (AFF). PL 2013, c. 331, Pt. C, §35 (RP). PL 2013, c. 331, Pt. C, §40 (AFF).

#### §5219-O. Credit for dependent health benefits paid

**1. Credit allowed.** A taxpayer constituting an employing unit that employs fewer than 5 employees is allowed a credit to be computed as provided in this section against the tax imposed by this Part, subject to the limitations contained in subsections 3 and 4. The credit equals the lesser of 20% of dependent health benefits paid with respect to the taxpayer's low-income employees under a health benefit plan during the taxable year for which the credit is allowed or \$125 per low-income employee with dependent health benefits coverage. A taxpayer who received a credit under this section in the preceding year and whose number of low-income employees is 5 or more may continue to receive the credit for 2 years after the last year in which the number of employees was fewer than 5.

[PL 2001, c. 396, §39 (AMD).]

**2. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Dependent" means a dependent, as defined by Section 152 of the Code, who is under 19 years of age. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

B. "Dependent health benefits" means health benefits and health insurance costs allowable as deductions to the employer under Section 105 of the Code, paid by the taxpayer on behalf of the taxpayer's low-income employees for the benefit of the employees' dependents. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

C. "Employing unit" has the same meaning as in Title 26, section 1043. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

D. "Health benefit plan" means a plan that:

- (1) Includes comprehensive coverage for at least the following range of benefits:
  - (a) Inpatient and outpatient hospital services;
  - (b) Physicians' surgical and medical services;
  - (c) Laboratory and x-ray services; and
  - (d) Well-baby and well-child care, including age-appropriate immunizations;
- (2) Affords coverage that has an actuarial value no less than 80% of the actuarial value of coverage that is provided to employees of the State. For purposes of this paragraph, "actuarial value" means the expected cost of a benefit based on assumptions as to relevant variables such as morbidity, mortality, persistency and interest. When comparing the actuarial value of one benefit or package of benefits to another, both actuarial values must be based on the same assumptions;
- (3) Imposes copayment and deductible costs on the employee that do not exceed 10% of the actuarial value of all benefits afforded by the plan; and
- (4) Makes the same or comparable coverage available for the benefit of the employee's dependent children who are under 19 years of age. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

E. "Low-income employee" means a Maine resident whose average weekly earnings from the taxpayer do not exceed the State's average weekly wage as calculated by the Department of Labor. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

[PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

**3. Qualifications.** A taxpayer may claim the credit allowed by this section only for those periods during which the following conditions are met:

A. The taxpayer maintains a health benefit plan that is available to all of the taxpayer's low-income employees who have been employed for 30 days or more on a schedule that exceeds either 25 hours per week or 1000 hours per year; [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

B. The taxpayer pays at least 80% of the cost of health insurance coverage for each low-income employee who is under the health benefit plan; [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

C. The taxpayer pays at least 60% of the cost of dependent health benefits for children under 19 years of age who are covered under the health benefit plan and who are dependents of a low-income employee; and [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

D. The taxpayer submits documentation from the insurer of the portion of the cost of benefits attributable to coverage of dependents that qualifies for a credit under this section. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

[PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

**4. Limitations; carry-over.** The amount of the credit that may be used by a taxpayer for a taxable year may not exceed 50% of the state income tax otherwise due under this Part for that year. The unused portion of any credit may be carried over to the following year or years for a period not to exceed 2 years. The credit allowable under this section may not be carried back to prior years. [PL 1997, c. 775, §1 (NEW); PL 1997, c. 775, §2 (AFF).]

**5. Application.** Except for the credit allowed with respect to the carry-over of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016. [PL 2015, c. 267, Pt. DD, §29 (NEW).]

**REVISOR'S NOTE:** §5219-O. Clean fuel vehicle economic and infrastructure development (As enacted by PL 1997, c. 791, Pt. A, §3 is REALLOCATED TO TITLE 36, SECTION 5219-P)

**SECTION HISTORY**

RR 1997, c. 2, §62 (RAL). PL 1997, c. 775, §1 (NEW). PL 1997, c. 775, §2 (AFF). PL 1997, c. 791, §A3 (NEW). PL 1999, c. 414, §48 (AMD). PL 2001, c. 396, §39 (AMD). PL 2015, c. 267, Pt. DD, §29 (AMD).

**§5219-P. Clean fuel vehicle economic and infrastructure development**

**(REPEALED)**

**SECTION HISTORY**

RR 1997, c. 2, §62 (RAL). PL 1999, c. 414, §49 (AMD). PL 2005, c. 519, §§PPP1,2 (AMD). PL 2017, c. 170, Pt. E, §5 (RP).

**§5219-Q. Quality child care investment credit**

**1. Definition.** As used in this section, unless the context otherwise indicates, "quality child care services" means services provided at a child care site that meets minimum licensing standards and:

- A. Is accredited by an independent, nationally recognized program approved by the Department of Health and Human Services, Office of Child Care and Head Start; [PL 2005, c. 618, §11 (AMD).]
- B. Utilizes recognized quality indicators for child care services approved by the Department of Health and Human Services, Office of Child Care and Head Start; and [PL 2005, c. 618, §12 (AMD).]
- C. Includes provisions for parent and client input, a review of the provider's policies and procedures, a review of the provider's program records and an on-site program review. [PL 1999, c. 401, Pt. NNN, §6 (NEW); PL 1999, c. 401, Pt. NNN, §§8, 9 (AFF).]

For large, multifunction agencies, only those portions of the child care sites that were reviewed by the accrediting body may be considered sites that provide quality child care services. [PL 2005, c. 618, §§11, 12 (AMD).]

**1-A. Certification.** Upon application by an investor, the Department of Health and Human Services, Office of Child Care and Head Start shall certify if an investment in a child care site contributed significantly toward the ability of the child care site to improve its level of child care services toward the goal of providing quality child care services. The department shall send a list of taxpayers making certified investments in the previous year to the State Tax Assessor by February 1st annually.

[PL 2005, c. 618, §13 (AMD).]

**2. Credit allowed.** A taxpayer that has made an investment in child care services certified under subsection 1-A during the tax year is allowed a credit against the tax imposed by this Part in an amount equal to the qualifying portion of expenditures paid or expenses incurred by the taxpayer for certified investments in child care services as calculated pursuant to subsection 3.

[PL 1999, c. 708, §47 (AMD).]

**3. Qualifying portion.** For purposes of calculating the credit provided by this section, the qualifying portion is:

- A. For a corporation, 30% of up to \$30,000 of expenditures, apportioned if part of an affiliated group engaged in a unitary business; and [PL 1999, c. 401, Pt. NNN, §6 (NEW); PL 1999, c. 401, Pt. NNN, §§8, 9 (AFF).]

B. For an individual taxpayer, if the taxpayer expends at least \$10,000 in one year, \$1,000 each year for 10 years and \$10,000 at the end of the 10-year period. [PL 1999, c. 401, Pt. NNN, §6 (NEW); PL 1999, c. 401, Pt. NNN, §§8, 9 (AFF).]  
[PL 1999, c. 708, §47 (AMD).]

**4. Limitation; carry-over.** The credit provided by this section may not reduce the tax otherwise due under this Part below zero. Any unused portion of the credit may be carried over to the following year or years until exhausted.  
[PL 1999, c. 708, §47 (AMD).]

**5. Application.** Except for the credit allowed with respect to the carry-over of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.  
[PL 2015, c. 267, Pt. DD, §30 (NEW).]

**REVISOR'S NOTE:** §5219-Q. Credit for rehabilitation of historic properties (As enacted by PL 1999, c. 401, Pt. RRR, §1 is REALLOCATED TO TITLE 36, SECTION 5219-R)

#### SECTION HISTORY

RR 1999, c. 1, §50 (RAL). PL 1999, c. 401, §§NNN6,RRR1 (NEW). PL 1999, c. 401, §§NNN8,9,RRR 2 (AFF). PL 1999, c. 708, §47 (AMD). PL 2001, c. 358, §D1 (AFF). PL 2003, c. 689, §B6 (REV). PL 2005, c. 618, §§11-13 (AMD). PL 2015, c. 267, Pt. DD, §30 (AMD).

#### §5219-R. Credit for rehabilitation of historic properties

##### (REALLOCATED FROM TITLE 36, SECTION 5219-Q)

**1. Credit allowed.** A taxpayer is allowed a credit against the tax imposed under this Part equal to the amount of credit claimed by the taxpayer for the taxable year under Section 47 of the Code with respect to expenditures incurred after December 31, 1999 for a certified historic structure located in the State. The credit is nonrefundable and is limited to \$100,000 annually per taxpayer. A credit received under this section is subject to the same recapture provisions, as apply to a credit received under Section 47 of the Code and to any available federal carry-back or carry-forward provisions. A credit may not be claimed under this subsection for expenditures incurred after December 31, 2007.  
[PL 2007, c. 539, Pt. WW, §3 (AMD).]

**2. Credit refundable in certain cases.** Notwithstanding subsection 1, a taxpayer that is a national historic landmark developer is allowed a refundable credit in an amount equal to the credit determined by the taxpayer under Section 47 of the Code for the taxable year. The refundable credit allowed by this subsection is in lieu of the credit that is allowed to the taxpayer by subsection 1 or that would otherwise be passed through to its partners or shareholders, if any. The credit is allowed only for tax years that begin on or after January 1, 2009 but before January 1, 2013. The credit may not exceed \$500,000 per year, and unused credit amounts may be carried forward only through the 2012 tax year. In the event that more than one national historic landmark developer qualifies for the refundable credit allowed by this subsection, the maximum annual credit amount and credit carry-forward limitations established by this subsection apply to all such developers collectively, and if necessary the State Tax Assessor shall prorate the credits between those developers based on their respective share of qualified expenses incurred. For the purposes of this subsection, "national historic landmark developer" means a person that owns 2 or more structures located in the Kennebec Arsenal District National Historic Landmark.  
[PL 2009, c. 1, Pt. Z, §1 (AMD); PL 2009, c. 1, Pt. Z, §2 (AFF).]

**3. Credit for certain local historic landmark developers; Lockwood Mill Historic District.** Notwithstanding subsection 1, a taxpayer that is entitled to a credit under Section 47 of the Code for building Number 2 located in the Lockwood Mill Historic District in the City of Waterville is allowed a refundable credit in an amount equal to the credit determined by the taxpayer under Section 47 of the

Code for the taxable year. The refundable credit allowed by this subsection is in lieu of the credit that is allowed to the taxpayer by subsection 1 or that would otherwise be passed through to its partners or shareholders, if any. The credit is allowed only for tax years that begin on or after January 1, 2008 but before January 1, 2014. The credit allowed for a calendar year must be prorated among tax years based on the respective number of days of the tax year in the calendar year and may not exceed \$1,000,000 annually. A taxpayer's unused credit amounts may be carried forward only through the 2013 tax year. In the event that more than one taxpayer qualifies for the refundable credit allowed by this subsection, the maximum annual credit amount and credit carry-forward limitations established by this subsection apply to all such taxpayers collectively, and if necessary the State Tax Assessor shall prorate the credits among those taxpayers based on their respective shares of incurred qualified rehabilitation expenditures.

[PL 2007, c. 240, Pt. NNNN, §1 (NEW).]

**4. Credit fund.** Beginning July 1, 2009, the following revenues attributable to historic rehabilitation for which a credit is claimed under this section must be transferred monthly by the State Controller to the historic rehabilitation credit fund that is established in this subsection:

A. Taxes paid under Part 3 on sales or use made for purposes of the construction portion of an eligible historic rehabilitation project; and [PL 2007, c. 614, §1 (NEW).]

B. Taxes paid under chapter 711-A on the transfer of real estate that is included in the project when the transfer occurred no more than one year before the federal certification of an eligible historic rehabilitation project. [PL 2007, c. 614, §1 (NEW).]

By the 15th day of each month, the State Tax Assessor shall notify the State Controller of the amounts to be transferred to the historic rehabilitation credit fund for the previous month. By the end of each fiscal year, the State Tax Assessor shall notify the State Controller of the total value of all credits determined under this section for tax years ending in the preceding calendar year, and the State Controller shall transfer that amount to the General Fund to the extent that resources are available in the fund. The State Tax Assessor shall submit an annual report by January 15th identifying the amounts transferred into and out of the fund under this subsection.

[PL 2007, c. 614, §1 (NEW).]

#### SECTION HISTORY

RR 1999, c. 1, §50 (RAL). PL 1999, c. 708, §48 (AMD). PL 2001, c. 526, §5 (AMD). PL 2001, c. 526, §6 (AFF). PL 2005, c. 519, §H1 (RPR). PL 2007, c. 240, Pt. NNNN, §1 (AMD). PL 2007, c. 539, Pt. WW, §3 (AMD). PL 2007, c. 614, §1 (AMD). PL 2009, c. 1, Pt. Z, §1 (AMD). PL 2009, c. 1, Pt. Z, §2 (AFF).

#### §5219-S. Earned income credit

**1. Resident taxpayer; tax years beginning 2020, 2021.** For tax years beginning on or after January 1, 2020 but before January 1, 2022, a resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal earned income credit for the same taxable year for a resident eligible individual who does not have a qualifying child and 12% of the federal earned income credit for the same taxable year for all other resident eligible individuals; except that, for taxable years beginning after December 31, 2020 and before January 1, 2022, a resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 20% of the federal earned income credit for the same taxable year. [PL 2021, c. 635, Pt. E, §1 (AMD).]

**1-A. Resident taxpayer; tax years beginning 2022 or after.** For tax years beginning on or after January 1, 2022, a resident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal earned income credit for the same

taxable year for a resident eligible individual who does not have a qualifying child and 25% of the federal earned income credit for the same taxable year for all other resident eligible individuals.

[PL 2021, c. 635, Pt. E, §2 (NEW).]

**2. Nonresident taxpayer; tax years beginning 2020, 2021.** For tax years beginning on or after January 1, 2020 but before January 1, 2022, a nonresident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal earned income credit for the same taxable year for a nonresident eligible individual who does not have a qualifying child and 12% of the federal earned income credit for the same taxable year for all other nonresident eligible individuals, except that, for taxable years beginning after December 31, 2020 and before January 1, 2022, all nonresident eligible individuals are allowed a credit in the amount of 20% of the federal earned income credit for the same taxable year, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2021, c. 635, Pt. E, §3 (AMD).]

**2-A. Nonresident taxpayer; tax years beginning 2022 or after.** For tax years beginning on or after January 1, 2022, a nonresident individual who is an eligible individual is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal earned income credit for the same taxable year for a nonresident eligible individual who does not have a qualifying child and 25% of the federal earned income credit for the same taxable year for all other nonresident eligible individuals, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2021, c. 635, Pt. E, §4 (NEW).]

**3. Part-year resident taxpayer; tax years beginning 2020, 2021.** For tax years beginning on or after January 1, 2020 but before January 1, 2022, an eligible individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal earned income credit for the same taxable year for an eligible part-year individual who does not have a qualifying child and 12% of the federal earned income credit for the same taxable year for all other eligible part-year individuals, except that, for taxable years beginning after December 31, 2020 and before January 1, 2022, all eligible part-year individuals are allowed a credit in the amount of 20% of the federal earned income credit for the same taxable year, multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2021, c. 635, Pt. E, §5 (AMD).]

**3-A. Part-year resident taxpayer; tax years beginning 2022 or after.** For tax years beginning on or after January 1, 2022, an eligible individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal earned income credit for the same taxable year for an eligible part-year individual who does not have a qualifying child and 25% of the federal earned income credit for the same taxable year for all other eligible part-year individuals, multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

[PL 2021, c. 635, Pt. E, §6 (NEW).]

**4. Limitation.** The credit allowed by this section may not reduce the Maine income tax to less than zero, except that for tax years beginning on or after January 1, 2016, the credit allowed under subsections 1, 1-A, 3 and 3-A is refundable.

[PL 2021, c. 759, Pt. A, §1 (AMD).]

**5. Eligible individual under 25 years of age and without a qualifying child.** The credit for an eligible individual who is entitled to a credit under subsections 1 to 3-A, has not attained 25 years of age and does not have a qualifying child for the taxable year must be calculated in the same manner as it would be calculated if that individual were eligible for a federal earned income credit.

[PL 2021, c. 635, Pt. E, §8 (AMD).]

**6. Eligible individual defined.** For tax years beginning on or after January 1, 2020, for the purposes of this section, unless the context otherwise indicates, "eligible individual" has the same meaning as under Section 32(c)(1) of the Code except that "eligible individual" also includes an individual who does not have a qualifying child for the taxable year, who is at least 18 years of age and has not attained 25 years of age before the close of the taxable year and who also meets the qualifications under Section 32(c)(1)(A)(ii)(I) and (III) of the Code.

[PL 2019, c. 527, Pt. B, §2 (NEW); PL 2019, c. 527, Pt. B, §3 (AFF).]

**7. Federal individual taxpayer identification numbers.** For tax years beginning on or after January 1, 2021, for an individual who files a federal income tax return, notwithstanding Section 32(m) of the Code, for purposes of calculating the credit allowed pursuant to this section, the taxpayer identification number required by Section 32(c)(1)(E) and 32(c)(3)(D) of the Code means a federal individual taxpayer identification number issued to an individual by the Internal Revenue Service or a social security number issued to an individual by the Social Security Administration on or before the due date for filing the return for the taxable year.

[PL 2021, c. 479, §1 (NEW).]

**REVISOR'S NOTE:** §5219-S. Credit for consumption of wood processing residue (As enacted by PL 1999, c. 755, §1 is REALLOCATED TO TITLE 36, SECTION 5219-T)

#### SECTION HISTORY

RR 1999, c. 2, §35 (RAL). PL 1999, c. 731, §V1 (NEW). PL 1999, c. 731, §V2 (AFF). PL 1999, c. 755, §1 (NEW). PL 2003, c. 20, §GG1 (AMD). PL 2007, c. 693, §31 (RPR). PL 2009, c. 213, Pt. BBBB, §16 (AMD). PL 2015, c. 267, Pt. DD, §31 (AMD). PL 2015, c. 267, Pt. DD, §34 (AFF). PL 2015, c. 328, §8 (AMD). PL 2019, c. 527, Pt. B, §2 (AMD). PL 2019, c. 527, Pt. B, §3 (AFF). PL 2021, c. 398, Pt. H, §§3-5 (AMD). PL 2021, c. 479, §1 (AMD). PL 2021, c. 493, §§1, 2 (AMD). PL 2021, c. 635, Pt. E, §§1-8 (AMD). PL 2021, c. 759, Pt. A, §1 (AMD).

#### §5219-T. Credit for consumption of wood processing residue

(REPEALED)

(REALLOCATED FROM TITLE 36, SECTION 5219-S)

#### SECTION HISTORY

RR 1999, c. 2, §35 (RAL). PL 2001, c. 358, §O1 (RP). PL 2001, c. 358, §O6 (AFF).

#### §5219-U. Educational attainment investment tax credit

(REPEALED)

#### SECTION HISTORY

PL 2001, c. 700, §7 (NEW). PL 2001, c. 700, §§10,11 (AFF). PL 2003, c. 20, §DD5 (AMD). PL 2003, c. 451, §JJ5 (AMD). PL 2005, c. 12, §Q5 (AMD). PL 2007, c. 1, Pt. O, §§6, 7 (AMD). PL 2007, c. 1, Pt. O, §9 (AFF). PL 2007, c. 539, Pt. RR, §2 (RP).

### §5219-V. Recruitment credit

**(REPEALED)**

#### SECTION HISTORY

PL 2001, c. 700, §7 (NEW). PL 2001, c. 700, §§10,11 (AFF). PL 2003, c. 20, §DD6 (AMD). PL 2003, c. 451, §JJ6 (AMD). PL 2005, c. 12, §Q6 (AMD). PL 2007, c. 1, Pt. O, §8 (AMD). PL 2007, c. 1, Pt. O, §9 (AFF). PL 2007, c. 539, Pt. SS, §2 (RP).

### §5219-W. Pine Tree Development Zone tax credit

**1. Credit allowed.** Except as provided by subsection 2, a taxpayer that is a qualified Pine Tree Development Zone business as defined in Title 30-A, section 5250-I, subsection 17 is allowed a credit in the amount of:

A. One hundred percent of the tax that would otherwise be due under this Part for each of the first 5 tax years beginning with the tax year in which the taxpayer commences its qualified business activity, as defined in Title 30-A, section 5250-I, subsection 16; and [PL 2013, c. 595, Pt. K, §1 (AMD); PL 2013, c. 595, Pt. K, §2 (AFF).]

B. For a business located in a tier 1 location, as defined in Title 30-A, section 5250-I, subsection 21-A, 50% of the tax that would otherwise be due under this Part for each of the 5 tax years following the time period in paragraph A. [PL 2013, c. 595, Pt. K, §1 (AMD); PL 2013, c. 595, Pt. K, §2 (AFF).]

[PL 2013, c. 595, Pt. K, §1 (AMD); PL 2013, c. 595, Pt. K, §2 (AFF).]

**2. Apportioned credit in certain circumstances.** In the case of a qualified Pine Tree Development Zone business as defined in Title 30-A, section 5250-I, subsection 17 that engages in both qualified and nonqualified business activities in this State, the credit provided for in this section is limited to that portion that is attributable to the qualified business activity. The limitation is calculated by an apportionment. The apportionment is determined by a fraction, the numerator of which is the property value plus the payroll for the taxable year attributed to the qualified business activity of the business and the denominator of which is the statewide property value plus payroll for the taxable year of the business.

If the qualified business is a taxable corporation that has affiliated groups, as defined in section 5102, subsection 1-B, engaged in a unitary business, as defined in section 5102, subsection 10-A, the property and payroll values in the State of the unitary affiliated groups must be included in the apportionment fraction. The resulting fraction must be multiplied by the total tax liability otherwise due under this Part of the qualified business and those affiliated groups.

If the apportionment provisions of this subsection do not fairly reflect the amount of the credit associated with the taxpayer's qualified business activity, the taxpayer may petition for, or the State Tax Assessor may require, in respect to all or any part of the taxpayer's business activity, the employment of another reasonable method to effectuate an equitable apportionment of the credit associated with the taxpayer's qualified business activity.

[PL 2005, c. 351, §14 (RPR); PL 2005, c. 351, §26 (AFF).]

**3. Members of pass-through entities.** A member of a pass-through entity that is a qualified Pine Tree Development Zone business, as defined in Title 30-A, section 5250-I, subsection 17, is allowed a credit under this section based on the tax due under this Part related to items of income, gain, deduction, loss or other items required to be reported by the pass-through entity to the member. For purposes of this subsection, "pass-through entity" means a corporation that for the applicable tax year is treated as

an S corporation under the Code and a partnership, trust, limited liability company or similar entity that for the applicable tax year is not taxed as a C corporation for federal tax purposes; "member" means an individual or other owner of a pass-through entity.

[PL 2005, c. 351, §15 (RPR); PL 2005, c. 351, §26 (AFF).]

**4. Limitation.** The credit provided by this section may not be claimed for tax years beginning on or after January 1, 2035.

[PL 2023, c. 412, Pt. J, §11 (AMD).]

**5. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Property" means the average value of the taxpayer's real and tangible personal property that is owned or rented and used during the tax period. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at 8 times the net annual rental rate. The net annual rental rate is the annual rental rate paid by the taxpayer. [PL 2005, c. 351, §16 (NEW).]

B. "Payroll" means the total amount paid in this State during the tax period by the taxpayer for compensation, including wages, pretax employee contributions made to a benefit package and employer contributions made to an employee benefit package. [PL 2005, c. 351, §16 (NEW).]

[PL 2005, c. 351, §16 (NEW).]

#### SECTION HISTORY

PL 2003, c. 451, §NNN5 (NEW). PL 2003, c. 451, §NNN8 (AFF). PL 2003, c. 688, §D5 (AMD). PL 2005, c. 351, §§13-16 (AMD). PL 2005, c. 351, §26 (AFF). PL 2009, c. 627, §§10, 11 (AMD). PL 2009, c. 627, §12 (AFF). PL 2013, c. 502, Pt. K, §1 (AMD). PL 2013, c. 502, Pt. K, §2 (AFF). PL 2013, c. 595, Pt. K, §1 (AMD). PL 2013, c. 595, Pt. K, §2 (AFF). PL 2017, c. 440, §12 (AMD). PL 2021, c. 398, Pt. IIII, §6 (AMD). PL 2023, c. 412, Pt. J, §11 (AMD).

#### §5219-X. Biofuel commercial production and commercial use

**1. Definition.** As used in this section, unless the context otherwise indicates, the term "biofuel" means any commercially produced liquid or gas used to propel motor vehicles or otherwise substitute for liquid or gaseous fuels that is derived from agricultural crops or residues or from forest products or byproducts, as distinct from petroleum or other fossil carbon sources. "Biofuel" includes, but is not limited to, ethanol, methanol derived from biomass, levulinic acid, biodiesel, pyrolysis oils from wood, hydrogen or methane from biomass, or combinations of any of the above that may be used to propel motor vehicles either alone or in blends with conventional gasoline or diesel fuels or that may be used in place of petroleum products in whole or in part to fire heating devices or any stationary power device. The biofuel must be offered for sale and income must be derived from the commercial production of biofuel.

[PL 2005, c. 330, §3 (AMD); PL 2005, c. 330, §44 (AFF).]

**2. Credit allowed.** A taxpayer engaged in the production of biofuels in the State who has received certification under subsection 4 is allowed a credit against the tax imposed by this Part on income derived during the taxable year from the production of biofuel in the amount of 5¢ per gallon of liquid biofuel or gaseous biofuel with a BTU equivalent to that of one gallon of gasoline that replaces the use of petroleum or liquid fuels derived from other fossil carbon sources. In blends with petroleum or other nonbiofuels, the credit is allowed only on the portion of that blend that the biofuel constitutes. Biofuel for which the credit is allowed must meet state and federal regulatory requirements applicable to the nature and intended use of the fuel produced.

[PL 2003, c. 698, §1 (NEW).]

**3. Limitations.** A person entitled to a credit under this section for any taxable year may carry over and apply the portion of any unused credits to the tax liability on income derived from the production

of biofuel for any one or more of the next succeeding 10 taxable years. The credit allowed, including carryovers, may not reduce the tax otherwise due under this Part to less than zero.

[PL 2007, c. 426, §1 (AMD).]

**4. Certification.** A taxpayer engaged in the production of biofuels who is claiming a credit under subsection 2 shall provide information to the Commissioner of Environmental Protection regarding the biofuel being produced, including the quantity of biofuel products, the type of forest or agricultural product being utilized, the nature and composition of the biofuel being produced, the proportion and composition of any nonbiofuel with which the biofuel is blended, the BTU equivalent of the biofuel as compared to the BTU value of one gallon of gasoline and the type of application for which it is intended to be used. Upon review of the information, the Commissioner of Environmental Protection shall provide the taxpayer with a letter of certification stating that the biofuel produced during the taxable year is eligible for a tax credit under this section and stating the number of gallons of biofuel produced during the taxable year.

[PL 2005, c. 330, §3 (AMD); PL 2005, c. 330, §44 (AFF).]

**5. Application.** This section applies to tax years beginning on or after January 1, 2004. Except for the credit allowed with respect to the carry-over of unused credit amounts pursuant to subsection 3, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016 and before January 1, 2021.

[PL 2019, c. 628, §2 (AMD).]

**6. Reporting.** A taxpayer allowed a credit under subsection 2 shall report to the Department of Economic and Community Development, for each tax credit awarded, the dollar amount of the tax credit, the number of direct manufacturing jobs created and the dollar amount of capital investment in manufacturing.

[PL 2021, c. 181, Pt. A, §12 (NEW).]

#### SECTION HISTORY

PL 2003, c. 698, §1 (NEW). PL 2005, c. 330, §3 (AMD). PL 2005, c. 330, §44 (AFF). PL 2007, c. 426, §1 (AMD). PL 2015, c. 267, Pt. DD, §32 (AMD). PL 2019, c. 628, §2 (AMD). PL 2021, c. 181, Pt. A, §12 (AMD).

#### §5219-Y. Certified visual media production credit

**1. Credit allowed.** A visual media production company, as defined in Title 5, section 13090-L, subsection 2-A, paragraph E, is allowed a credit against the taxes imposed by this Part in an amount equal to 5% of its nonwage visual media production expenses incurred with respect to a certified visual media production as defined in section 6901, subsection 1, if the visual media production company has visual media production expenses of \$75,000 or more with respect to that certified visual media production. For purposes of this section, "nonwage visual media production expenses" means visual media production expenses as defined in Title 5, section 13090-L, subsection 2-A, paragraph F, except that "nonwage visual media production expenses" does not include certified production wages as defined in section 6901, subsection 2 or any amount that would be included in certified production wages but for the \$50,000 limit provided by section 6901, subsection 2.

[PL 2011, c. 240, §37 (AMD).]

**2. Limitation.** The credit allowed by this section may not reduce the tax otherwise due under this Part below zero and may be used only for the taxable year in which the certified visual media production, as defined in section 6901, subsection 1, is completed. Taxpayers claiming a credit under section 5219-W are not eligible for this credit.

[PL 2009, c. 470, §5 (RPR).]

#### SECTION HISTORY

PL 2005, c. 519, §GG2 (NEW). PL 2009, c. 470, §5 (RPR). PL 2011, c. 240, §37 (AMD).

**§5219-Z. Tax credit for pollution-reducing boilers****(REPEALED)**

## SECTION HISTORY

PL 2005, c. 519, §TTT2 (NEW). PL 2005, c. 519, §TTT3 (AFF). MRSA T. 36 §5219-Z, sub-§4 (RP).

**§5219-AA. Community wind power generator credit****(REPEALED)**

## SECTION HISTORY

RR 2005, c. 2, §25 (COR). PL 2005, c. 646, §7 (NEW). MRSA T. 36 §5219-AA, sub-4 (RP).

**§5219-BB. Credit for rehabilitation of historic properties after 2007**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Certified affordable housing project" means a decent, safe and sanitary dwelling, apartment or other living accommodation that has been certified by the Maine State Housing Authority as an affordable housing project pursuant to Title 30-A, section 4722, subsection 1, paragraph DD. [PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

B. "Certified historic structure" means a structure that has been certified by the Director of the Maine Historic Preservation Commission as a historic structure under Title 27, section 511. [PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

C. "Certified qualified rehabilitation expenditure" means a qualified rehabilitation expenditure, as defined by the Code, Section 47(c)(2), made on or after January 1, 2008 with respect to a certified historic structure, if:

(1) For credits claimed under subsection 2, paragraph A, the United States Department of the Interior, National Park Service issues a determination on or before December 31, 2030 that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation, with or without conditions; or

(2) For credits claimed under subsection 2, paragraph B, the Maine Historic Preservation Commission issues a determination on or before December 31, 2030 that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation, with or without conditions.

For purposes of subsection 2, paragraph B, qualified rehabilitation expenditures incurred in the certified rehabilitation of a certified historic structure located in the State do not include a requirement that the certified historic structure be substantially rehabilitated. [PL 2021, c. 671, §2 (AMD).]

D. [PL 2009, c. 361, §28 (RP); PL 2009, c. 361, §37 (AFF).]

E. "Rural area" means an unorganized territory of the State or a municipality that has a population of less than 12,500 inhabitants as determined by the United States Department of Commerce, Bureau of the Census based on the latest decennial census of the United States. [PL 2025, c. 499, §1 (NEW); PL 2025, c. 499, §3 (AFF).]

[PL 2025, c. 499, §1 (AMD); PL 2025, c. 499, §3 (AFF).]

**2. Credit allowed.** A taxpayer is allowed a credit against the tax imposed under this Part:

A. Equal to 25% of the taxpayer's certified qualified rehabilitation expenditures for which a tax credit is claimed under Section 47 of the Code for a certified historic structure located in the State; or [PL 2007, c. 539, Pt. WW, §4 (NEW).]

B. Equal to 25% of the certified qualified rehabilitation expenditures of a taxpayer who incurs not less than \$50,000 and up to \$250,000 in certified qualified rehabilitation expenditures in the rehabilitation of a certified historic structure located in the State and who does not claim a credit under the Code, Section 47 with regard to those expenditures. If the certified historic structure is a condominium, as defined in Title 33, section 1601-103, subsection 7, the dollar limitations of this paragraph apply to the total aggregate amount of certified qualified rehabilitation expenditures incurred by the unit owners' association and all of the unit owners in the rehabilitation of that certified historic structure. The credit may be claimed for the taxable year in which the certified historic structure is placed in service. [PL 2011, c. 240, §38 (AMD).]

A taxpayer is allowed a credit under paragraph A or B but not both. A credit may not be claimed for expenditures incurred before January 1, 2008.

[PL 2019, c. 659, Pt. J, §3 (AMD).]

**3. Increased credit for a certified affordable housing project.** The credit allowed under this section is increased to 30% of certified qualified rehabilitation expenditures for a certified affordable housing project. If the certified affordable housing project for which an increased credit was allowed under this subsection does not remain an affordable housing project for 30 years from the date the affordable housing project is placed in service, the owner of the property is subject to the repayment provisions of Title 30-A, section 4722, subsection 1, paragraph DD. Upon notification by the Maine Historic Preservation Commission and the Maine State Housing Authority pursuant to Title 30-A, section 4722, subsection 1, paragraph DD, subparagraph (4), the State Tax Assessor shall increase the credit rate under this subsection that was in effect in the calendar year prior to the calendar year in which the notification was received by one percentage point for tax years beginning in the calendar year of that notification and for any subsequent tax year. In no event may the credit rate under this subsection exceed 35% of the taxpayer's certified qualified rehabilitation expenditures.

[PL 2019, c. 379, Pt. C, §4 (AMD).]

**4. Maximum credit.** For tax years beginning before January 1, 2025, the credit allowed pursuant to this section and section 2534 may not exceed the greater of:

A. Five million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and [PL 2013, c. 550, §1 (NEW); PL 2013, c. 550, §2 (AFF).]

B. Five million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section. [PL 2013, c. 550, §1 (NEW); PL 2013, c. 550, §2 (AFF).]

[PL 2025, c. 444, §1 (AMD).]

**4-A. Maximum credit; beginning 2025.** For tax years beginning on or after January 1, 2025, the credit allowed pursuant to this section and section 2534:

A. In the first year in which the credit may be claimed, may not exceed the greater of:

(1) Ten million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and

(2) Ten million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section; [PL 2025, c. 444, §2 (NEW).]

B. In the 2nd year in which the credit may be claimed, may not exceed the greater of:

(1) Ten million dollars minus the credit allowed under paragraph A, subparagraph (1) for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and

(2) Ten million dollars minus the credit allowed under paragraph A, subparagraph (2) for each building that is a component of a certified historic structure for which a credit is claimed under this section; and [PL 2025, c. 444, §2 (NEW).]

C. In the 3rd and subsequent years in which the credit may be claimed, may not exceed the greater of:

(1) Five million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and

(2) Five million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section. [PL 2025, c. 444, §2 (NEW).]

[PL 2025, c. 444, §2 (NEW).]

**5. Timing of credit.** Twenty-five percent of the credit allowed pursuant to this section must be taken in the taxable year the credit may be first claimed and 25% must be taken in each of the next 3 taxable years.

[PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

**6. Credit refundable.** The credit allowed under this section is refundable.  
[PL 2017, c. 170, Pt. E, §6 (AMD).]

**7. Allocation of credit.** Credits allowed to a partnership, a limited liability company taxed as a partnership or multiple owners of property must be passed through to the partners, members or owners respectively pro rata in the same manner as under section 5219-G, subsection 1 or pursuant to an executed agreement among the partners, members or owners documenting an alternate allocation method. Credits may be allocated to partners, members or owners that are exempt from taxation under Section 501(c)(3), Section 501(c)(4) or Section 501(c)(6) of the Code, and those partners, members or owners must be treated as taxpayers for the purposes of this subsection.

[PL 2007, c. 693, §32 (AMD); PL 2007, c. 693, §37 (AFF).]

**8. Recapture.** A credit received under subsection 2 is subject to the same recapture provisions as apply to a credit received under Section 47 of the Code.

[PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

**9. Limitation.** A taxpayer who is eligible to claim a credit under section 5219-R, whether or not a credit is actually claimed, may not claim a credit under this section. In addition, a credit may not be claimed under this section with respect to expenditures incurred for rehabilitation of Building No. 2 in the Lockwood Mill Historic District in the City of Waterville.

[PL 2007, c. 539, Pt. WW, §4 (NEW).]

**10. Increased credit for certified qualified rehabilitation expenditures in rural areas with housing component.** For tax years beginning on or after January 1, 2025, the credit allowed under this section is increased to 35% of certified qualified rehabilitation expenditures for which a tax credit is claimed under Section 47 of the Code for a certified historic structure located in a rural area of the State as long as not less than 33% of the aggregate square feet of that structure constitutes apartments, dwellings or other living accommodations. If the rehabilitation of the certified historic structure is also a certified affordable housing project, then the credit allowed under this section is increased by a further 10 percentage points.

[PL 2025, c. 499, §2 (NEW); PL 2025, c. 499, §3 (AFF).]

**REVISOR'S NOTE:** §5219-BB. Dental care access credit as enacted by PL 2007, c. 690, §1 was repealed by PL 2009, c. 141, §1

**SECTION HISTORY**

PL 2007, c. 539, Pt. WW, §4 (NEW). PL 2007, c. 690, §1 (NEW). PL 2007, c. 693, §32 (AMD). PL 2007, c. 693, §37 (AFF). PL 2009, c. 141, §1 (RP). PL 2009, c. 361, §28 (AMD). PL 2009, c. 361, §37 (AFF). PL 2011, c. 240, §38 (AMD). PL 2011, c. 453, §§7-9 (AMD). PL 2011, c. 548, §31 (AMD). PL 2013, c. 550, §1 (AMD). PL 2013, c. 550, §2 (AFF). PL 2017, c. 170, Pt. E, §6 (AMD). PL 2019, c. 379, Pt. C, §4 (AMD). PL 2019, c. 659, Pt. J, §§2, 3 (AMD). PL 2021, c. 671, §2 (AMD). PL 2025, c. 444, §§1, 2 (AMD). PL 2025, c. 499, §§1, 2 (AMD). PL 2025, c. 499, §3 (AFF).

**§5219-CC. Community wind power generator credit****(REPEALED)****SECTION HISTORY**

PL 2007, c. 693, §33 (NEW). PL 2007, c. 693, §37 (AFF). PL 2017, c. 170, Pt. E, §7 (RP).

**§5219-DD. Dental care access credit****(CONTAINS TEXT WITH VARYING EFFECTIVE DATES)****(WHOLE SECTION TEXT EFFECTIVE UNTIL 12/31/27)****(WHOLE SECTION TEXT REPEALED 12/31/27)**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Eligible dentist" means a person licensed as a dentist under Title 32, chapter 143 who, after January 1, 2009:

- (1) First begins practicing dentistry in the State by joining an existing dental practice in an underserved area or establishing a new dental practice or purchasing an existing dental practice in an underserved area;
- (2) Agrees to practice full time for at least 5 years in an underserved area; and
- (3) Is certified under subsection 3 to be eligible by the oral health program. [PL 2015, c. 429, §22 (AMD).]

B. "Oral health program" means the program within the Department of Health and Human Services with responsibility for oral health promotion and dental disease prevention activities. [PL 2009, c. 141, §2 (NEW).]

C. "Underserved area" means an area in the State that is a dental health professional shortage area as defined by the federal Department of Health and Human Services, Health Resources and Services Administration. [PL 2009, c. 141, §2 (NEW).]

[PL 2015, c. 429, §22 (AMD).]

**2. Credit.** An eligible dentist determined to be eligible before January 1, 2012 is allowed a credit for each taxable year, not to exceed \$15,000, against the taxes due under this Part. An eligible dentist determined to be eligible on or after January 1, 2012 but before January 1, 2018 is allowed a credit for each taxable year, not to exceed \$12,000, against the taxes due under this Part. An eligible dentist determined to be eligible on or after January 1, 2018 but before January 1, 2023 is allowed a credit, not to exceed \$6,000 in the first year, \$9,000 in the 2nd year, \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year, against the taxes due under this Part. The credit may be claimed in the first year that the eligible dentist meets the conditions of eligibility for at least 6 months and each of the 4 subsequent years. The credit is not refundable.

[PL 2017, c. 435, §1 (AMD).]

**3. Eligibility limitation; certification.** The oral health program shall certify up to 5 eligible dentists in each year in 2009, 2010 and 2011, up to 6 additional eligible dentists in each year from 2012 through 2015 and up to 5 eligible dentists in each year from 2018 through 2022. Additional dentists may not be certified after 2022. The oral health program shall monitor certified dentists to ensure that they continue to be eligible for the credit under this section and shall decertify any dentist who ceases to meet the conditions of eligibility. The oral health program shall notify the bureau whenever a dentist is certified or decertified. A decertified dentist ceases to be eligible for the credit under this section beginning with the tax year during which the dentist is decertified.

[PL 2017, c. 435, §2 (AMD).]

**4. Review.** By March 1, 2011, the oral health program shall submit to the joint standing committee of the Legislature having jurisdiction over taxation matters a report that analyzes the effectiveness of the credit provided by this section in attracting dentists to underserved areas and recommending whether the credit should be retained, repealed or amended. The committee may submit legislation to the First Regular Session of the 125th Legislature related to the report.

[PL 2009, c. 141, §2 (NEW).]

**5. Rules.** The Department of Health and Human Services may adopt rules to implement this section. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2009, c. 141, §2 (NEW).]

**6. Repeal.** This section is repealed December 31, 2027.

[PL 2017, c. 435, §3 (AMD).]

#### SECTION HISTORY

PL 2009, c. 141, §2 (NEW). PL 2011, c. 434, §§1-3 (AMD). PL 2015, c. 429, §22 (AMD). PL 2017, c. 435, §§1-3 (AMD).

#### **§5219-EE. Maine Public Employees Retirement System innovation finance credit**

**(CONTAINS TEXT WITH VARYING EFFECTIVE DATES)**

**(WHOLE SECTION TEXT EFFECTIVE UNTIL 4/16/29)**

**(WHOLE SECTION TEXT REPEALED 4/16/29)**

**1. Credit allowed.** The Finance Authority of Maine is authorized to issue to the Maine Public Employees Retirement System, referred to in this section as "the retirement system," a refundable credit against the taxes imposed by this Part in an amount certified by the Finance Authority of Maine as equal either to \$4,000,000 or 80% of any loss of capital sustained in the innovation finance program established under Title 10, section 1026-T, whichever is less. Upon receipt of a certification as provided in Title 10, section 1026-T, subsection 4, paragraph E, the Department of Administrative and Financial Services, Bureau of Revenue Services shall pay the amount certified to the retirement system as provided in that subsection.

[PL 2009, c. 633, §5 (NEW).]

**2. Reimbursement by the retirement system.** In the event that the retirement system incurs a loss and redeems a credit under this section and the retirement system subsequently achieves an aggregate return on all of its investments under the innovation finance program under Title 10, section 1026-T that exceeds an annualized return of 8%, the retirement system shall reimburse the State in an amount equal to the total amount of credits paid to the retirement system under this section.

[PL 2009, c. 633, §5 (NEW).]

**3. Limitations.** A credit under this section may not be redeemed for any loss occurring after July 1, 2028. Pursuant to Title 10, section 1026-T, total credits redeemed may not exceed \$20,000,000.

[PL 2009, c. 633, §5 (NEW).]

**4. Audit.** The State Tax Assessor may audit any transactions necessary to verify the amount of credits claimed or redeemed under this section. If the assessor determines that a credit larger than that authorized by this section has been received, the assessor may enforce repayment of the overpayment by assessment pursuant to the provisions of chapter 7 or may apply the overpayment against subsequent redemptions made pursuant to this section.

[PL 2009, c. 633, §5 (NEW).]

**5. Repeal.** This section is repealed April 16, 2029.

[PL 2009, c. 633, §5 (NEW).]

#### SECTION HISTORY

PL 2009, c. 633, §5 (NEW).

#### §5219-FF. Credit for wellness programs

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Employee" means an individual who performs services for an employing unit. [PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

B. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10. [PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

C. "Qualified wellness program expenditure" means an expenditure made by an employing unit to develop, institute and maintain a wellness program. [PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

D. "Wellness program" means a program instituted by an employing unit that improves employee health, morale and productivity, including, without limitation:

(1) Health education programs;

(2) Behavioral change programs, such as counseling or seminars or classes on nutrition, stress management or smoking cessation; and

(3) Incentive awards to employees who engage in regular physical activity. [PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

[PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

**2. Credit allowed.** A taxpayer constituting an employing unit with 20 or fewer employees, on an average monthly basis during the taxable year, is allowed a credit against the tax imposed by this Part for each taxable year beginning on or after January 1, 2014 for a qualified wellness program expenditure made during the taxable year.

[PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

**3. Record keeping.** An employing unit seeking a credit under subsection 2 is responsible for recording the amount of time employees engage in wellness programs for which the employing unit is claiming an expense.

[PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

**4. Limit; carry-over.** The total credit for each taxpayer under this section is limited to \$100 per employee or \$2,000, whichever is less, per tax year. The credit may not reduce the tax otherwise due under this Part to less than zero. A taxpayer entitled to a credit under this section for any taxable year may carry over the portion, as reduced from year to year, of any unused credit and apply it to the tax liability for any one or more of the next succeeding 5 taxable years.

[PL 2011, c. 90, Pt. H, §7 (NEW); PL 2011, c. 90, Pt. H, §8 (AFF).]

#### SECTION HISTORY

PL 2011, c. 90, Pt. H, §7 (NEW). PL 2011, c. 90, Pt. H, §8 (AFF).

### §5219-GG. Maine capital investment credit

**1. Credit allowed.** A taxpayer that claims a depreciation deduction under the Code, Section 168(k) for property placed in service in the State during the taxable year beginning in 2011 or 2012 is allowed a credit against the taxes imposed by this Part in an amount equal to 10% of the amount claimed for the taxable year under the Code, Section 168(k) with respect to that property, except for excluded property under subsection 2.

- A. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - B. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - C. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - D. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - E. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - F. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - G. [PL 2013, c. 331, Pt. C, §36 (RP); PL 2013, c. 331, Pt. C, §41 (AFF).]
  - H. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - I. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
  - J. [PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]
- [PL 2013, c. 331, Pt. C, §36 (AMD); PL 2013, c. 331, Pt. C, §41 (AFF).]

**2. Certain property excluded.** The following property is not eligible for the credit under this section:

- A. Property owned by a public utility as defined by Title 35-A, section 102; [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]
  - B. Property owned by a person that provides radio paging services as defined by Title 35-A, section 102; [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]
  - C. Property owned by a person that provides mobile telecommunications services as defined by Title 35-A, section 102; [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]
  - D. Property owned by a cable television company as defined by Title 30-A, section 2001; [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]
  - E. Property owned by a person that provides satellite-based direct television broadcast services; [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]
  - F. Property owned by a person that provides multichannel, multipoint television distribution services; and [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]
  - G. Property that is not in service in the State for the entire 12-month period following the date it is placed in service in the State. [PL 2011, c. 548, §32 (NEW); PL 2011, c. 548, §36 (AFF).]
- [PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]

**3. Limitations; carry-forward.** The credit allowed under subsection 1 may not reduce the tax otherwise due under this Part to less than zero. Any unused portion of the credit may be carried forward to the following year or years for a period not to exceed 20 years.  
[PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]

**4. Recapture.** The credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer if the property forming the basis of the credit is not used in the State for the entire 12-month period following the date it is placed in service in the State. The credit must be recaptured by

filing an amended return in accordance with section 5227-A for the tax year in which that property was used to calculate the credit under this section. The amended return must reflect the credit disallowed and the income modifications required by section 5122, subsection 1, paragraph FF and section 5200-A, subsection 1, paragraph Y with respect to that property.

[PL 2011, c. 548, §32 (RPR); PL 2011, c. 548, §36 (AFF).]

**5. Pass-through entity; allocation of the credit.**

[PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]

**6. Credit refundable.**

[PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]

**7. Recapture of credits.**

[PL 2011, c. 548, §32 (RP); PL 2011, c. 548, §36 (AFF).]

**SECTION HISTORY**

PL 2011, c. 380, Pt. O, §17 (NEW). PL 2011, c. 380, Pt. O, §18 (AFF). PL 2011, c. 380, Pt. Q, §6 (NEW). PL 2011, c. 380, Pt. Q, §7 (AFF). PL 2011, c. 548, §32 (RPR). PL 2011, c. 548, §36 (AFF). PL 2011, c. 563, §13 (AMD). PL 2013, c. 331, Pt. C, §36 (AMD). PL 2013, c. 331, Pt. C, §41 (AFF).

**§5219-HH. New markets capital investment credit**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Applicable percentage" means 0% for each of the first 2 credit allowance dates, 7% for the 3rd credit allowance date and 8% for the next 4 credit allowance dates. [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

B. "Authority" means the Finance Authority of Maine. [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

C. "Commissioner" means the Commissioner of Administrative and Financial Services. [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

D. "Credit allowance date" means, with respect to any qualified equity investment, the date on which the investment is initially made and each of the 6 anniversary dates of the date thereafter. [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

E. "Long-term debt security" means any debt instrument issued by a qualified community development entity, at par value or a premium, with an original maturity date of at least 7 years from the date of its issuance, with no acceleration of repayment, amortization or prepayment features prior to its original maturity date. The qualified community development entity that issues the debt instrument may not make cash interest payments on the debt instrument during the period commencing with its issuance and ending on its final credit allowance date in excess of the cumulative operating income, as defined in the regulations adopted pursuant to the Code, Section 45D, of the qualified community development entity for the same period prior to giving effect to interest expense on such debt instrument. This paragraph does not limit the holder's ability to accelerate payments on the debt instrument in situations when the qualified community development entity has defaulted on covenants designed to ensure compliance with this section; section 191, subsection 2, paragraph SS; section 2533; and Title 10, section 1100-Z or the Code, Section 45D. [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

E-1. "Program 1 tax credit authority" means tax credit authority allocated by the authority before January 1, 2026. [PL 2025, c. 497, §6 (NEW).]

E-2. "Program 2 tax credit authority" means tax credit authority allocated by the authority on or after January 1, 2026. [PL 2025, c. 497, §7 (NEW).]

F. "Purchase price" means the amount of the investment in the qualified community development entity for the qualified equity investment. [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

G. "Qualified active low-income community business" has the same meaning as in the Code, Section 45D and includes any entity making an investment under this section if, for the most recent calendar year ending prior to the date of the investment:

(1) At least 50% of the total gross income of the entity was derived from the active conduct of business activity of the entity within any municipality where the average annual unemployment rate for that year was higher than the state average unemployment rate;

(2) A substantial portion of the use of the tangible property of the entity was within any location of the State where the average annual unemployment rate for that year was higher than the state average unemployment rate; or

(3) A substantial portion of the services performed by the entity by its employees was performed in a municipality where the average annual unemployment rate for that year was higher than the state average unemployment rate. [PL 2013, c. 331, Pt. C, §37 (AMD); PL 2013, c. 331, Pt. C, §41 (AFF).]

H. "Qualified community development entity" means an entity that:

(1) Is a Maine fund, as defined in Title 10, section 1100-Z, subsection 3, paragraph B-1; or

(2) If not a Maine fund, is a qualified community development entity as defined in the Code, Section 45D(c), except that the entity must have entered into an allocation agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury with respect to credits authorized by the Code, Section 45D. [PL 2025, c. 497, §8 (RPR).]

I. "Qualified equity investment" means any equity investment in, or long-term debt security issued by, a qualified community development entity that:

(1) Has at least 85% of its cash purchase price used by the issuer to make qualified low-income community investments in qualified active low-income community businesses located in the State by the 2nd anniversary of the initial credit allowance date for program 1 tax credit authority and the first anniversary of the initial credit allowance date for program 2 tax credit authority;

(2) Is acquired after December 31, 2011 at its original issuance solely in exchange for cash; and

(3) Is designated by the issuer as a qualified equity investment and is certified by the authority pursuant to Title 10, section 1100-Z, subsection 3, paragraph G. "Qualified equity investment" includes any qualified equity investment that does not meet the provisions of Title 10, section 1100-Z, subsection 3, paragraph G if the investment was a qualified equity investment in the hands of a prior holder. The qualified community development entity shall keep sufficiently detailed books and records with respect to the investments made with the proceeds of the qualified equity investments to allow the direct tracing of the proceeds into qualified low-income community investments in qualified active low-income community businesses in the State. [PL 2025, c. 497, §9 (AMD).]

J. "Qualified low-income community investment" means any capital or equity investment in, or loan to, any qualified active low-income community business made after September 28, 2011. Except as otherwise provided in this paragraph, with respect to any one qualified active low-income

community business, the maximum amount of qualified low-income community investments that may be made with the proceeds of qualified equity investments that have been certified under Title 10, section 1100-Z, subsection 3, paragraph G is \$10,000,000 per project constructed, maintained or operated by the qualified active low-income community business whether made by one or several qualified community development entities. With respect to investments in a qualified active low-income community business that is a manufacturing or value-added production enterprise, the limit on the qualified low-income community investment is \$40,000,000 per project constructed, maintained or operated by the qualified active low-income community business. For the purposes of this paragraph, with respect to projects to which the \$10,000,000 limitation applies, "project" includes all land, buildings, structures, machinery and equipment located at the same location and constructed, maintained or operated by the qualified active low-income community business. For the purposes of this paragraph, with respect to projects to which the \$40,000,000 limitation applies, "project" means, and refers separately to, each manufacturing or value-added production facility that projects to create or retain more than 200 jobs, including the land, buildings, structures, machinery and equipment functionally related to, and integrated with, the manufacturing or production process conducted on the site of that facility. "Project" does not mean or include the component pieces of an integrated manufacturing or production process conducted on the site of a particular facility. "Qualified low-income community investment" does not include a capital or equity investment made after November 9, 2015 if more than 5% of the investment is used to refinance costs, expenses or investments incurred or paid by the qualified active low-income community business or a party related to the qualified active low-income community business prior to the date of the qualified low-income community investment; make equity distributions from the qualified active low-income community business to its owners; acquire an existing business or enterprise in the State; or pay transaction fees. [PL 2017, c. 339, §1 (AMD).]

[PL 2025, c. 497, §§6-9 (AMD).]

**2. Credit allowed.** A person that holds a qualified equity investment certified by the authority pursuant to Title 10, section 1100-Z, subsection 3, paragraph G on a credit allowance date that falls within the taxable year is allowed a credit equal to the applicable percentage that applies to the credit allowance date multiplied by the purchase price paid for the qualified equity investment. Notwithstanding any other provision of law, other than the recapture provisions of subsection 7, the person, and any subsequent person, that is the holder of the credit certificate issued by the authority for a qualified equity investment is entitled, in the aggregate, to the entire 39% credit amount computed with respect to the 7 credit allowance dates. In no event may the credit amount in the aggregate exceed 39% for any single qualified equity investment certified by the authority.

[PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

**3. Memorandum of agreement.**

[PL 2017, c. 375, Pt. G, §2 (RP).]

**4. Carry-over to succeeding year.** Any unused portion of the credit may be carried over to the following taxable year or years, except that the carry-over period for unused credit amounts may not exceed 20 years.

[PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

**5. Pass-through entity; allocation of the credit.** Credits allowed pursuant to this section to a partnership, limited liability company, S corporation or other similar pass-through entity must be allocated to the partners, members, shareholders or other owners in accordance with section 5219-G or pursuant to an executed agreement among the partners, members or shareholders or other owners documenting an alternate allocation method.

[PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

**6. Credit refundable.** The credit allowed under this section is refundable.

[PL 2017, c. 170, Pt. E, §8 (AMD).]

**6-A. Interest inapplicable.** Notwithstanding any provision of this Title to the contrary, interest does not accrue during any period of delay as the result of the fiscal year credit limit imposed by Title 10, section 1100-Z, subsection 4 of any payment to a taxpayer pursuant to this section. [PL 2019, c. 401, Pt. C, §13 (NEW).]

**7. Recapture of credits.** The State Tax Assessor may recapture all of the credit allowed under this section if:

A. Any amount of federal tax credits available with respect to a qualified equity investment that is eligible for a tax credit under this section is recaptured under the Code, Section 45D. In such a case, the recapture must be proportionate to the federal recapture with respect to the qualified equity investment; [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

B. The qualified community development entity redeems or makes a principal repayment with respect to the qualified equity investment that generated the tax credit prior to the final credit allowance date of the qualified equity investment. In such a case, the recapture must be proportionate to the amount of the redemption or repayment with respect to the qualified equity investment; or [PL 2011, c. 548, §33 (NEW); PL 2011, c. 548, §35 (AFF).]

C. The qualified community development entity fails to invest at least 85% of the purchase price of the qualified equity investment in qualified low-income community investments in qualified active low-income community businesses located in the State within 24 months of the issuance of the qualified equity investment with respect to program 1 tax credit authority and within 12 months of the issuance of the qualified equity investment with respect to program 2 tax credit authority and maintain this level of investment in qualified low-income community investments in qualified active low-income community businesses located in the State until the last credit allowance date for the qualified equity investment. For purposes of calculating the amount of qualified low-income community investments held by a qualified community development entity, an investment is considered held by the qualified community development entity even if the investment has been sold or repaid as long as the qualified community development entity reinvests an amount equal to the capital returned to or recovered from the original investment, exclusive of any profits realized, in another qualified active low-income community business in this State within 12 months of the receipt of the capital. A qualified community development entity may not be required to reinvest capital returned from qualified low-income community investments after the 6th anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment is considered to be held by the issuer through the qualified equity investment's final credit allowance date. [PL 2025, c. 497, §10 (AMD).]

The qualified community development entity must be provided 90 days to cure any deficiency indicated in the authority's original recapture notice and avoid such recapture. If the entity fails or is unable to cure the deficiency within the 90-day period, the assessor shall provide the qualified community development entity and the person from whom the credit is to be recaptured with a final order of recapture. Any amount of tax credits for which a final recapture order has been issued must be recaptured from the person that actually claimed the tax credit. [PL 2025, c. 497, §10 (AMD).]

#### SECTION HISTORY

PL 2011, c. 548, §33 (NEW). PL 2011, c. 548, §35 (AFF). PL 2011, c. 657, Pt. P, §1 (AMD). PL 2013, c. 75, §1 (AMD). PL 2013, c. 331, Pt. C, §37 (AMD). PL 2013, c. 331, Pt. C, §41 (AFF). PL 2017, c. 170, Pt. E, §8 (AMD). PL 2017, c. 339, §1 (AMD). PL 2017, c. 375, Pt. G, §2 (AMD). PL 2019, c. 401, Pt. C, §13 (AMD). PL 2025, c. 497, §§6-10 (AMD).

#### §5219-II. Property tax fairness credit

For tax years beginning on or after January 1, 2013 and before January 1, 2014, a Maine resident individual is allowed a property tax fairness credit as computed under this section against the taxes imposed under this Part. [PL 2013, c. 551, §2 (AMD).]

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Benefit base" means property taxes paid by the resident individual during the tax year on the individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State. [PL 2013, c. 368, Pt. L, §1 (NEW).]

B. "Dwelling" means an individual house or apartment, duplex unit, cooperative unit, condominium unit, mobile home or mobile home pad. [PL 2013, c. 368, Pt. L, §1 (NEW).]

C. "Homestead" means the dwelling owned or rented by the taxpayer or held in a revocable living trust for the benefit of the taxpayer and occupied by the taxpayer and the taxpayer's dependents as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which it is built. "Owned" includes a vendee in possession under a land contract, one or more joint tenants or tenants in common and possession under a legally binding agreement that allows the owner of the dwelling to transfer the property but continue to occupy the dwelling as a home until some future event stated in the agreement. [PL 2013, c. 368, Pt. L, §1 (NEW).]

D. "Rent constituting property taxes" means 25% of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead in the State. "Rent constituting property taxes" does not include rent subsidized by government programs that limit housing costs to a percentage of household income except that this exclusion does not apply to persons receiving social security disability or supplemental security income disability benefits. For the purposes of this paragraph, "gross rent" means rent paid at arm's length solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the rental agreement, whether or not expressly set out in the rental agreement. If the landlord and tenant have not dealt with each other at arm's length, and the assessor is satisfied that the gross rent charged was excessive, the assessor may adjust the gross rent to a reasonable amount for purposes of this section. [PL 2013, c. 368, Pt. L, §1 (NEW).]

[PL 2013, c. 368, Pt. L, §1 (NEW).]

**2. Credit.** A resident individual filing a single or married separate return or resident spouses filing joint returns with Maine adjusted gross income up to \$40,000 are allowed a credit against the taxes imposed under this Part in an amount equal to 40% of the amount by which the benefit base exceeds 10% of the resident individual's or the resident spouses' total Maine adjusted gross income as defined under section 5102, subsection 1-C, paragraph A that is greater than zero. The credit may not exceed \$300 for resident individuals under 70 years of age as of the last day of the taxable year and \$400 for resident individuals 70 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 70 years of age and older to qualify for the \$400 credit limitation. In the case of resident married individuals filing separate returns, each of whom claim the credit on the same homestead, the credit for each spouse may not exceed \$150 if, for the taxable year, neither spouse was a resident individual 70 years of age or older or \$200 if, for the taxable year, at least one spouse was 70 years of age or older.

[PL 2013, c. 368, Pt. L, §1 (NEW).]

**3. Refundability of credit.** The tax credit is refundable after the application of nonrefundable credits.

[PL 2013, c. 368, Pt. L, §1 (NEW).]

**REVISOR'S NOTE:** §5219-II. Maine capital investment credit for 2013 (As enacted by PL 2013, c. 368, Pt. TT, §18 is REALLOCATED TO TITLE 36, SECTION 5219-JJ)

#### SECTION HISTORY

RR 2013, c. 1, §54 (RAL). PL 2013, c. 368, Pt. L, §1 (NEW). PL 2013, c. 368, Pt. TT, §18 (NEW). PL 2013, c. 551, §2 (AMD).

#### §5219-JJ. Maine capital investment credit for 2013

##### (REALLOCATED FROM TITLE 36, SECTION 5219-II)

**1. Credit allowed.** A taxpayer that claims a depreciation deduction under the Code, Section 168(k) for property placed in service in the State during the taxable year beginning in 2013 is allowed a credit against the taxes imposed by this Part in an amount equal to 9% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph HH, subparagraph (1) or section 5200-A, subsection 1, paragraph AA, subparagraph (1) with respect to that property, except for excluded property under subsection 2. [RR 2013, c. 1, §54 (RAL).]

**2. Certain property excluded.** The following property is not eligible for the credit under this section:

A. Property owned by a public utility as defined by Title 35-A, section 102, subsection 13; [RR 2013, c. 1, §54 (RAL).]

B. Property owned by a person that provides radio paging services as defined by Title 35-A, section 102, subsection 15; [RR 2013, c. 1, §54 (RAL).]

C. Property owned by a person that provides mobile telecommunications services as defined by Title 35-A, section 102, subsection 9-A; [RR 2013, c. 1, §54 (RAL).]

D. Property owned by a cable television company as defined by Title 30-A, section 2001, subsection 2; [RR 2013, c. 1, §54 (RAL).]

E. Property owned by a person that provides satellite-based direct television broadcast services; [RR 2013, c. 1, §54 (RAL).]

F. Property owned by a person that provides multichannel, multipoint television distribution services; and [RR 2013, c. 1, §54 (RAL).]

G. Property that is not in service in the State for the entire 12-month period following the date it is placed in service in the State. [RR 2013, c. 1, §54 (RAL).]  
[RR 2013, c. 1, §54 (RAL).]

**3. Limitations; carry-forward.** The credit allowed under subsection 1 may not reduce the tax otherwise due under this Part to less than zero. Any unused portion of the credit may be carried forward to the following year or years for a period not to exceed 20 years. [RR 2013, c. 1, §54 (RAL).]

**4. Recapture.** The credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer if the property forming the basis of the credit is not used in the State for the entire 12-month period following the date it is placed in service in the State. The credit must be recaptured by filing an amended return in accordance with section 5227-A for the tax year in which that property was used to calculate the credit under this section. The amended return must reflect the credit disallowed and the income modifications required by section 5122, subsection 1, paragraph HH and section 5200-A, subsection 1, paragraph AA with respect to that property. [RR 2013, c. 1, §54 (RAL).]

#### SECTION HISTORY

RR 2013, c. 1, §54 (RAL).

**§5219-KK. Property tax fairness credit for tax years beginning on or after January 1, 2014**

For tax years beginning on or after January 1, 2014, a Maine resident individual is allowed a property tax fairness credit as computed under this section against the taxes imposed under this Part. [PL 2013, c. 551, §3 (NEW).]

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. For tax years beginning before January 1, 2018, "benefit base" means property taxes paid by a resident individual during the tax year on the resident individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State not exceeding the following amounts:

- (1) For persons filing as single individuals, \$2,000;
- (2) For persons filing joint returns or as heads of households that claim no more than 2 personal exemptions, \$2,600; and
- (3) For persons filing joint returns or as heads of households that claim 3 or more personal exemptions, \$3,200. [PL 2017, c. 474, Pt. B, §12 (AMD).]

A-1. For tax years beginning on or after January 1, 2018, "benefit base" means property taxes paid by a resident individual or the bureau pursuant to chapter 908 on behalf of the resident individual during the tax year on the resident individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State not exceeding the following amounts:

- (1) For persons filing as single individuals, \$2,050;
- (2) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for no more than one qualifying child or dependent or for persons filing joint returns, \$2,650;
- (3) For persons filing as heads of households that can claim the federal child tax credit pursuant to the Code, Section 24 for more than one qualifying child or dependent or for persons filing joint returns that can claim the federal child tax credit pursuant to the Code, Section 24 for at least one qualifying child or dependent, \$3,250; and
- (4) For tax years beginning on or after January 1, 2024, notwithstanding subparagraphs (1), (2) and (3), for individuals 65 years of age or older, \$4,000. [PL 2023, c. 523, Pt. B, §4 (AMD).]

B. "Dwelling" means an individual house or apartment, duplex unit, cooperative unit, condominium unit, mobile home or mobile home pad. [PL 2013, c. 551, §3 (NEW).]

C. "Homestead" means the dwelling owned or rented by a taxpayer or held in a revocable living trust for the benefit of the taxpayer and occupied by the taxpayer and the taxpayer's dependents as a home and may consist of a part of a multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which it is built. For purposes of this paragraph, "owned" includes a vendee in possession under a land contract, one or more joint tenants or tenants in common and possession under a legally binding agreement that allows the owner of the dwelling to transfer the property but continue to occupy the dwelling as a home until some future event stated in the agreement. [PL 2013, c. 551, §3 (NEW).]

D. "Income" means federal adjusted gross income increased by the following amounts:

- (1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;
- (2) Interest received to the extent not included in federal adjusted gross income;
- (3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and
- (4) The following amounts deducted in arriving at federal adjusted gross income:
  - (a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);
  - (b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);
  - (c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);
  - (d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);
  - (e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);
  - (f) Moving expenses pursuant to the Code, Section 62(a)(15);
  - (g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);
  - (h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);
  - (i) The self-employed health insurance deduction pursuant to the Code, Section 162(l);
  - (j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);
  - (k) Alimony paid pursuant to the Code, Section 62(a)(10);
  - (l) The IRA deduction pursuant to the Code, Section 62(a)(7);
  - (m) The student loan interest deduction pursuant to the Code, Section 62(a)(17); and
  - (n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18). [PL 2017, c. 474, Pt. B, §14 (AMD); PL 2017, c. 474, Pt. B, §26 (AFF).]

E. "Rent constituting property taxes" means 15% of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead in the State. For the purposes of this paragraph, "gross rent" means rent paid at arm's length solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the rental agreement, whether or not expressly set out in the rental agreement. If the landlord and tenant have not dealt with each other at arm's length, and the assessor is satisfied that the gross rent charged was excessive, the assessor may adjust the gross rent to a reasonable amount for purposes of this section. [PL 2013, c. 551, §3 (NEW).]

[PL 2023, c. 523, Pt. B, §4 (AMD).]

**2. Credit prior to 2018.** For tax years beginning before January 1, 2018, a resident individual is allowed a credit against the taxes imposed under this Part in an amount equal to 50% of the amount by which the benefit base for the resident individual exceeds 6% of the resident individual's income. The credit may not exceed \$600 for resident individuals under 65 years of age as of the last day of the taxable year or \$900 for resident individuals 65 years of age and older as of the last day of the taxable

year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the \$900 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2017, c. 474, Pt. B, §15 (AMD).]

**2-A. Credit in 2018 and 2019.** For tax years beginning on or after January 1, 2018 and before January 1, 2020, a resident individual is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 6% of the resident individual's income. The credit may not exceed \$750 for resident individuals under 65 years of age as of the last day of the taxable year or \$1,200 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the \$1,200 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2019, c. 343, Pt. H, §5 (AMD).]

**2-B. Credit in 2020.** For tax years beginning on or after January 1, 2020 and before January 1, 2021, a resident individual is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 5% of the resident individual's income. The credit may not exceed \$750 for resident individuals under 65 years of age as of the last day of the taxable year or \$1,200 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the \$1,200 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2021, c. 398, Pt. H, §6 (AMD).]

**2-C. Credit in 2021.** For tax years beginning on or after January 1, 2021 and before January 1, 2022, a resident individual is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 5% of the resident individual's income. The credit may not exceed \$1,000 for resident individuals under 65 years of age as of the last day of the taxable year or \$1,500 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the \$1,500 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2021, c. 398, Pt. H, §7 (NEW).]

**2-D. Credit in 2022 and after.** For tax years beginning on or after January 1, 2022, a resident individual is allowed a credit against the taxes imposed under this Part equal to the amount by which the benefit base for the resident individual exceeds 4% of the resident individual's income. The credit may not exceed \$1,000 for resident individuals under 65 years of age as of the last day of the taxable year or, for tax years beginning before January 1, 2024, \$1,500 for resident individuals 65 years of age and older as of the last day of the taxable year. For tax years beginning on or after January 1, 2024, for resident individuals 65 years of age and older, the credit may not exceed \$2,000. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the \$1,500 or \$2,000 credit limitation. Married taxpayers filing separate returns do not qualify for the credit under this section.

[PL 2023, c. 412, Pt. S, §4 (AMD).]

**2-E. Permanently and totally disabled veterans; additional credit.** For tax years beginning on or after January 1, 2023, in addition to the credit under subsection 2-D, a resident individual who is a veteran who is 100% permanently and totally disabled is allowed an additional credit against the taxes imposed under this Part in an amount equal to the amount calculated under subsection 2-D. The combined credit under subsection 2-D and this subsection may not exceed the property taxes paid by the resident individual or the bureau pursuant to chapter 908 on behalf of the resident individual during the tax year on the resident individual's homestead in this State and rent constituting property taxes paid

by the resident individual during the tax year on a homestead in the State, combined. In the case of married individuals filing a joint return, only one spouse is required to be a veteran who is 100% permanently and totally disabled to qualify for the additional credit allowed under this subsection. For the purposes of this subsection, "100% permanently and totally disabled" means having a rating by the United States Department of Veterans Affairs at 100% for one or more service-connected disabilities that are rated permanent and "veteran" has the same meaning as in section 653, subsection 1, paragraph E.

[PL 2023, c. 360, Pt. B, §14 (AMD).]

**3. Refundability of credit.** The tax credit under this section is refundable after the application of nonrefundable credits.

[PL 2013, c. 551, §3 (NEW).]

**REVISOR'S NOTE:** (Section 5219-KK as enacted by PL 2013, c. 599, §1 is REALLOCATED TO TITLE 36, SECTION 5219-LL)

#### SECTION HISTORY

RR 2013, c. 2, §46 (RAL). PL 2013, c. 551, §3 (NEW). PL 2013, c. 599, §1 (NEW). PL 2017, c. 211, Pt. D, §§6, 7 (AMD). PL 2017, c. 211, Pt. D, §14 (AFF). PL 2017, c. 474, Pt. B, §§12-16 (AMD). PL 2017, c. 474, Pt. B, §26 (AFF). PL 2019, c. 343, Pt. H, §§5, 6 (AMD). PL 2021, c. 398, Pt. H, §§6-8 (AMD). PL 2021, c. 483, Pt. AA, §1 (AMD). PL 2021, c. 483, Pt. AA, §21 (AFF). PL 2021, c. 635, Pt. F, §1 (AMD). PL 2021, c. 703, §1 (AMD). PL 2023, c. 360, Pt. B, §§13, 14 (AMD). PL 2023, c. 412, Pt. S, §§1-4 (AMD). PL 2023, c. 523, Pt. B, §4 (AMD).

#### §5219-LL. Primary care access credit

#### (REALLOCATED FROM TITLE 36, SECTION 5219-KK)

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Eligible primary care professional" means a person licensed under Title 32, chapter 31, subchapter 3 or subchapter 4; Title 32, chapter 36, subchapter 4; or Title 32, chapter 48, subchapter 2 and who, on or after January 1, 2013:

- (1) Practices primary care medicine in the State as part of an existing health care practice in an underserved area or establishes a new health care practice or purchases an existing health care practice in an underserved area;
- (2) Agrees to practice full time for at least 5 years following certification under subsection 3 in an underserved area;
- (3) Is certified under subsection 3 to be eligible by the Department of Health and Human Services; and
- (4) Has an unpaid student loan owed to an institution for course work directly related to that person's training in primary care medicine. [PL 2015, c. 108, §1 (AMD); PL 2015, c. 108, §2 (AFF).]

B. "Underserved area" means an area in the State that is a health professional shortage area or medically underserved area or that contains a medically underserved population as defined by the federal Department of Health and Human Services, Health Resources and Services Administration. [RR 2013, c. 2, §46 (RAL).]

[PL 2015, c. 108, §1 (AMD); PL 2015, c. 108, §2 (AFF).]

**2. Credit.** For tax years beginning on or after January 1, 2014, an eligible primary care professional is allowed a credit against the taxes due under this Part as follows.

A. The credit may be claimed in the first year that the eligible primary care professional meets the conditions of eligibility for at least 6 months and each of the 4 subsequent years or until the student loan of the eligible primary care professional is paid in full, whichever comes first. [RR 2013, c. 2, §46 (RAL).]

B. The credit may be claimed in an amount equal to the annual payments made on the student loan not to exceed \$6,000 in the first year, \$9,000 in the 2nd year, \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year. [RR 2013, c. 2, §46 (RAL).]

C. The credit may not reduce the tax due under this Part to less than zero. [RR 2013, c. 2, §46 (RAL).]

[PL 2017, c. 435, §4 (AMD).]

**3. Eligibility limitation; certification.** The Department of Health and Human Services shall certify up to 10 eligible primary care professionals each year. The Department of Health and Human Services shall monitor certified primary care professionals to ensure that they continue to be eligible for the credit under this section and shall decertify any primary care professional who ceases to meet the conditions of eligibility. The Department of Health and Human Services shall notify the bureau whenever a primary care professional is certified or decertified. A decertified primary care professional ceases to be eligible for the credit under this section beginning with the tax year during which the primary care professional is decertified.

[PL 2017, c. 435, §4 (AMD).]

**4. Rules.** The Department of Health and Human Services may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[RR 2013, c. 2, §46 (RAL).]

**5. Annual report.** By January 15, 2016 and annually thereafter, the Department of Health and Human Services and the bureau shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters. The report must indicate the number of eligible primary care professionals certified and decertified each year by the Department of Health and Human Services pursuant to this section and the total annual loss of revenue attributable to the credit under subsection 2.

[RR 2013, c. 2, §46 (RAL).]

#### SECTION HISTORY

RR 2013, c. 2, §46 (RAL). PL 2015, c. 108, §1 (AMD). PL 2015, c. 108, §2 (AFF). PL 2017, c. 435, §4 (AMD).

#### §5219-MM. Maine capital investment credit for 2014

**1. Credit allowed.** A taxpayer that claims a depreciation deduction under the Code, Section 168(k) for property placed in service in the State during the taxable year beginning in 2014 is allowed a credit against the taxes imposed by this Part in an amount equal to 9% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph II, subparagraph (1) or section 5200-A, subsection 1, paragraph BB, subparagraph (1) with respect to that property, except for excluded property under subsection 2.

[PL 2015, c. 1, §14 (NEW).]

**2. Certain property excluded.** The following property is not eligible for the credit under this section:

A. Property owned by a public utility as defined in Title 35-A, section 102, subsection 13; [PL 2015, c. 1, §14 (NEW).]

- B. Property owned by a person that provides radio paging services as defined in Title 35-A, section 102, subsection 15; [PL 2015, c. 1, §14 (NEW).]
- C. Property owned by a person that provides mobile telecommunications services as defined in Title 35-A, section 102, subsection 9-A; [PL 2015, c. 1, §14 (NEW).]
- D. Property owned by a cable television company as defined in Title 30-A, section 2001, subsection 2; [PL 2015, c. 1, §14 (NEW).]
- E. Property owned by a person that provides satellite-based direct television broadcast services; [PL 2015, c. 1, §14 (NEW).]
- F. Property owned by a person that provides multichannel, multipoint television distribution services; and [PL 2015, c. 1, §14 (NEW).]
- G. Property that is not in service in the State for the entire 12-month period following the date it is placed in service in the State. [PL 2015, c. 1, §14 (NEW).]  
[PL 2015, c. 1, §14 (NEW).]

**3. Limitations; carry-forward.** The credit allowed under subsection 1 may not reduce the tax otherwise due under this Part to less than zero. Any unused portion of the credit may be carried forward to the following year or years for a period not to exceed 20 years.

[PL 2015, c. 1, §14 (NEW).]

**4. Recapture.** The credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer if the property forming the basis of the credit is not used in the State for the entire 12-month period following the date it is placed in service in the State. The credit must be recaptured by filing an amended return in accordance with section 5227-A for the tax year in which that property was used to calculate the credit under this section. The amended return must reflect the credit disallowed and the income modifications required by section 5122, subsection 1, paragraph II and section 5200-A, subsection 1, paragraph BB with respect to that property.

[PL 2015, c. 1, §14 (NEW).]

#### SECTION HISTORY

PL 2015, c. 1, §14 (NEW).

#### §5219-NN. Maine capital investment credit for 2015 and after

**1. Credit allowed.** A taxpayer that claims a depreciation deduction under the Code, Section 168(k) for property placed in service in the State during a taxable year that begins on or after January 1, 2015 and before January 1, 2020 is allowed a credit as follows:

- A. A taxable corporation is allowed a credit against the taxes imposed by this Part in an amount equal to 9% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5200-A, subsection 1, paragraph CC, subparagraph (1) with respect to that property, except for excluded property under subsection 2; or [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]
- B. An individual is allowed a credit against the taxes imposed by this Part in an amount equal to:
  - (1) For taxable years beginning in 2015, 8% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph KK, subparagraph (1) with respect to that property, except for excluded property under subsection 2; and
  - (2) For taxable years beginning on or after January 1, 2016, 7% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph KK, subparagraph (1) with respect to that property,

except for excluded property under subsection 2. [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

C. [PL 2017, c. 211, Pt. D, §8 (RP); PL 2017, c. 211, Pt. D, §14 (AFF).]

D. [PL 2017, c. 211, Pt. D, §8 (RP); PL 2017, c. 211, Pt. D, §14 (AFF).]

E. [PL 2017, c. 211, Pt. D, §8 (RP); PL 2017, c. 211, Pt. D, §14 (AFF).]

F. [PL 2017, c. 211, Pt. D, §8 (RP); PL 2017, c. 211, Pt. D, §14 (AFF).]

[PL 2019, c. 527, Pt. A, §5 (AMD).]

**1-A. Credit allowed; on or after January 1, 2020 and before January 1, 2025.** A taxpayer that claims a depreciation deduction under the Code, Section 168(k) for property placed in service in the State during a taxable year that begins on or after January 1, 2020 and before January 1, 2025 is allowed a credit as follows:

A. For a taxable corporation, a credit against the taxes imposed by this Part in an amount equal to 1.2% of the amount of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5200-A, subsection 1, paragraph CC, subparagraph (1) with respect to that property, except for excluded property under subsection 2; and [PL 2019, c. 527, Pt. A, §6 (NEW).]

B. For an individual, a credit against the taxes imposed by this Part in an amount equal to 1.2% of the net increase in the depreciation deduction reported as an addition to income for the taxable year under section 5122, subsection 1, paragraph KK, subparagraph (1) with respect to that property, except for excluded property under subsection 2. [PL 2019, c. 527, Pt. A, §6 (NEW).]

[PL 2023, c. 412, Pt. J, §12 (AMD).]

**2. Certain property excluded.** The following property is not eligible for the credit under this section:

A. Property owned by a public utility as defined by Title 35-A, section 102, subsection 13; [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

B. Property owned by a person that provides radio paging services as defined by Title 35-A, section 102, subsection 15; [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

C. Property owned by a person that provides mobile telecommunications services as defined by Title 35-A, section 102, subsection 9-A; [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

D. Property owned by a cable television company as defined by Title 30-A, section 2001, subsection 2; [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

E. Property owned by a person that provides satellite-based direct television broadcast services; [PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

F. Property owned by a person that provides multichannel, multipoint television distribution services; [PL 2021, c. 1, Pt. F, §1 (AMD).]

G. Property that is not in service in the State for the entire 12-month period following the date it is placed in service in the State; and [PL 2021, c. 1, Pt. F, §2 (AMD).]

H. Qualified improvement property, as defined in the Code, Section 168(e)(6), placed in service after December 31, 2017 and prior to January 1, 2020. [PL 2021, c. 1, Pt. F, §3 (NEW).]

[PL 2021, c. 1, Pt. F, §§1-3 (AMD).]

**3. Limitations; carry-forward.** The credit allowed under subsections 1 and 1-A may not reduce the tax otherwise due under this Part to less than zero. Any unused portion of the credit may be carried forward to the following year or years for a period not to exceed 20 years.

[PL 2019, c. 527, Pt. A, §7 (AMD).]

**4. Recapture.** The credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer if the property forming the basis of the credit is not used in the State for the entire 12-month period following the date it is placed in service in the State. The credit must be recaptured by filing an amended return in accordance with section 5227-A for the tax year in which that property was used to calculate the credit under this section. The amended return must reflect the credit disallowed and the income modifications required by section 5122, subsection 1, paragraph KK and section 5200-A, subsection 1, paragraph CC with respect to that property.

[PL 2017, c. 211, Pt. D, §8 (RPR); PL 2017, c. 211, Pt. D, §14 (AFF).]

#### SECTION HISTORY

PL 2015, c. 388, Pt. A, §15 (NEW). PL 2015, c. 490, §8 (NEW). PL 2015, c. 503, §1 (NEW). PL 2017, c. 211, Pt. D, §8 (RPR). PL 2017, c. 211, Pt. D, §14 (AFF). PL 2019, c. 527, Pt. A, §§5-7 (AMD). PL 2021, c. 1, Pt. F, §§1-3 (AMD). PL 2023, c. 412, Pt. J, §12 (AMD).

#### §5219-00. Credit for disability income protection plans in the workplace

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Disability income protection plan" or "plan" has the same meaning as in Title 24-A, section 2804-B. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

B. "Elimination period" means the time period during which an employee is unable to work due to a covered sickness or injury but is not yet eligible for disability benefits under the plan. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

C. "Employee" means an individual who performs services for an employing unit and is eligible to enroll in a qualified short-term disability income protection plan or a qualified long-term disability income protection plan under the terms and conditions of the disability income protection plan. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

D. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

E. "Qualified long-term disability income protection plan" means an employer-sponsored disability income protection plan that replaces at least 50% of predisability earnings prior to any applicable offsets, offers benefits for at least 24 months, has an elimination period of no greater than 185 days and is either:

(1) A plan established after January 1, 2017 that allows for employees to opt out of enrollment; or

(2) An existing plan that is reopened for enrollment and allows for employees to opt out of enrollment. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

F. "Qualified short-term disability income protection plan" means an employer-sponsored disability income protection plan that replaces income of at least \$200 per week, offers benefits for at least 6 months, has an elimination period of no more than 30 days and is either:

(1) A plan established after January 1, 2017 that allows for employees to opt out of enrollment; or

(2) An existing plan that is reopened for enrollment and allows for employees to opt out of enrollment. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

[PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**2. Credit allowed.** A taxpayer constituting an employing unit is allowed a credit against the tax imposed by this Part for each taxable year beginning on or after January 1, 2017 for either a qualified short-term disability income protection plan or a qualified long-term disability income protection plan. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**3. Limit.** The total annual credit for a taxpayer under this section is limited to an amount equal to \$30 for each employee enrolled after January 1, 2017 in either a qualified short-term disability income protection plan or a qualified long-term disability income protection plan, as long as the employee enrolled in a qualified short-term disability income protection plan or a qualified long-term disability income protection plan was not covered under a disability income protection plan offered by the employing unit in the tax year immediately preceding the year the employer is first eligible for the credit. The credit must be claimed by a taxpayer in the first tax year during which the taxpayer is eligible to claim the credit and may be taken for no more than 3 consecutive tax years. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**4. Carry over; carry back.** The amount of the credit that may be used by a taxpayer may not exceed the amount of the tax otherwise due. Any unused credit may not be carried over or carried back by a taxpayer. [PL 2017, c. 211, Pt. D, §9 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

#### SECTION HISTORY

PL 2017, c. 211, Pt. D, §9 (NEW). PL 2017, c. 211, Pt. D, §14 (AFF).

#### §5219-PP. Credit for certain homestead modifications

**1. Credit allowed.** An individual with federal adjusted gross income not exceeding \$55,000 who makes qualified expenditures for the purpose of making all or any portion of an existing homestead, as defined in section 5219-II, subsection 1, paragraph C, accessible to an individual with a disability or physical hardship who resides or will reside in the homestead is allowed a credit against the tax otherwise imposed under this Part in an amount equal to the applicable percentage of the qualified expenditures or \$9,000, whichever is less. [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**2. Qualified expenditures.** An individual claiming a credit under this section must demonstrate to the Maine State Housing Authority that the homestead modifications for which the expenditures were incurred comply with applicable building standards governing home accessibility in the jurisdiction where the homestead is located and are consistent with standards adopted by the authority. The authority may adopt rules consistent with this section to identify the types of homestead modifications that will enable accessibility for individuals with disabilities or physical hardships. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**3. Certification.** The Maine State Housing Authority shall certify to the State Tax Assessor the total qualified expenditures made by an individual seeking to claim a credit under this section. The authority may contract with a public or private entity to make the certification required under this subsection. [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**4. Limitations; carry-forward.** The credit under this section must be taken in the taxable year in which the certification required by subsection 3 is made by the Maine State Housing Authority, except that the credit claimed for any taxable year beginning on or after January 1, 2018 may not include qualified expenditures for which a credit has been claimed for a tax year beginning in 2017. The credit allowed under this section may not reduce the tax otherwise due under this Part to less than zero. Any

unused portion of the credit may be carried forward to the following year or years for a period not to exceed 4 years.

[PL 2017, c. 375, Pt. C, §2 (AMD); PL 2017, c. 375, Pt. C, §3 (AFF).]

**5. Applicable percentage.** For the purposes of this section, "applicable percentage" means:

A. For taxpayers with a federal adjusted gross income of up to \$25,000, 100%; [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

B. For taxpayers with a federal adjusted gross income over \$25,000 but not over \$30,000, 90%; [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

C. For taxpayers with a federal adjusted gross income over \$30,000 but not over \$35,000, 80%; [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

D. For taxpayers with a federal adjusted gross income over \$35,000 but not over \$40,000, 70%; [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

E. For taxpayers with a federal adjusted gross income over \$40,000 but not over \$45,000, 60%; and [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

F. For taxpayers with a federal adjusted gross income over \$45,000 but not over \$55,000, 50%. [PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

[PL 2017, c. 211, Pt. D, §10 (NEW); PL 2017, c. 211, Pt. D, §14 (AFF).]

**6. Application.** Except for the credit allowed with respect to the carry-forward of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to taxable years beginning on or after January 1, 2024.

[PL 2023, c. 441, Pt. C, §6 (NEW); PL 2023, c. 441, Pt. C, §11 (AFF).]

#### SECTION HISTORY

PL 2017, c. 211, Pt. D, §10 (NEW). PL 2017, c. 211, Pt. D, §14 (AFF). PL 2017, c. 375, Pt. C, §2 (AMD). PL 2017, c. 375, Pt. C, §3 (AFF). PL 2023, c. 441, Pt. C, §6 (NEW). PL 2023, c. 441, Pt. C, §11 (AFF).

#### §5219-QQ. Credit for major business headquarters expansions

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Certified applicant" means a qualified applicant that has received a certificate of approval from the commissioner pursuant to this section. [PL 2017, c. 297, §2 (NEW).]

A-1. "Base level of employment" means either the total employment of a qualified applicant as of the March 31st, June 30th, September 30th and December 31st of the calendar year immediately preceding the application for a certificate of approval under subsection 2 divided by 4 or the qualified applicant's average employment during the base period, whichever is greater. [PL 2017, c. 405, §1 (NEW).]

A-2. "Base period" means the 3 calendar years prior to the year in which a qualified applicant's application for a certificate of approval under subsection 2 is approved by the commissioner. [PL 2017, c. 405, §1 (NEW).]

B. "Commissioner" means the Commissioner of Economic and Community Development. [PL 2017, c. 297, §2 (NEW).]

C. "Employees based in the State" means employees that perform more than 50% of employee-related activities for the employer at a location in the State. [PL 2023, c. 157, §1 (AMD); PL 2023, c. 157, §4 (AFF).]

D. "Facility" means one or more buildings and includes the real and personal property located in those buildings. [PL 2017, c. 297, §2 (NEW).]

E. "Full-time" means an average of 36 hours weekly during the period of measurement. [PL 2017, c. 297, §2 (NEW).]

F. "Headquarters" means the principal facility from which the applicant directs its national or global business activities, as determined by the commissioner at the time of application. [PL 2017, c. 297, §2 (NEW).]

G. "Qualified applicant" means an applicant that, at the time an application for a certificate of approval is submitted, satisfies all of the following criteria:

- (1) The applicant's headquarters are or will be located in the State;
- (2) The applicant employs at least 5,000 full-time employees worldwide of which at least 25% are or will be based in the State;
- (3) The applicant has business locations in at least 3 other states or foreign countries; and
- (4) The applicant intends to make a qualified investment in the State within 5 years following the date of the application. [PL 2017, c. 405, §1 (AMD).]

H. "Qualified investment" means an investment of at least \$35,000,000 to design, permit, construct, modify, equip or expand the applicant's headquarters in the State. The investments and activities of a qualified applicant and other entities that are members of the qualified applicant's unitary business must be aggregated to determine whether a qualified investment has been made. A qualified investment does not include an investment made prior to the issuance of a certificate of approval or after December 31, 2022. [PL 2017, c. 297, §2 (NEW).]

[PL 2023, c. 157, §1 (AMD).]

**2. Procedures for application; certificate of approval.** The provisions of this subsection govern the procedures for providing for and obtaining a certificate of approval.

A. A qualified applicant may apply to the commissioner for a certificate of approval. An applicant shall submit to the commissioner information demonstrating that the applicant is a qualified applicant. If a certified applicant undertakes to make an additional qualified investment, the certified applicant may apply to the commissioner for an additional certificate of approval. [PL 2017, c. 297, §2 (NEW).]

B. The commissioner, within 30 days of receipt of an application submitted pursuant to paragraph A, shall determine whether the applicant is a qualified applicant and shall issue either a certificate of approval or a written denial indicating why the applicant is not qualified. The certificate issued by the commissioner must describe the qualified investment and specify the total amount of qualified investment approved under the certificate. [PL 2017, c. 297, §2 (NEW).]

C. Upon issuance of a certificate of completion in accordance with paragraph F, the commissioner shall issue, on behalf of the State, a memorandum to the qualified applicant describing the benefits provided by this section at the time the certificate of completion is issued. The memorandum must provide that the certificate of completion does not prohibit the commissioner from revoking a certificate in accordance with paragraph E and does not prohibit the assessor from assessing and collecting an overpaid benefit in accordance with the provisions of this Title. [PL 2017, c. 297, §2 (NEW).]

D. A certified applicant shall obtain approval from the commissioner to transfer the certificate of approval or, if the certified applicant has obtained a certificate of completion, that certificate of completion to another person. A certificate of approval or certificate of completion may be transferred only if all or substantially all of the assets of the certified applicant are, or will be, transferred to that person or if 50% or more of the certified applicant's voting stock is, or will be,

acquired by that person. The commissioner shall approve the transfer of the certificate of approval or the certificate of completion only if at least one of the following conditions is satisfied:

- (1) The transferee is a member of the applicant's unitary affiliated group at the time of the transfer; or
- (2) The commissioner finds that the transferee will, and has the capacity to, maintain operations of the headquarters in the State in a manner that meets the minimum qualifications for continued eligibility of benefits under this section after the transfer occurs.

If the commissioner approves the transfer of the certificate, the transferee, from the date of the transfer, must be treated as the certified applicant and as eligible to claim any remaining benefit under the certificate of approval or the certificate of completion that has not been previously claimed by the transferor as long as the transferee meets the same eligibility requirements and conditions for the credit as applied to the original certified applicant. [PL 2017, c. 297, §2 (NEW).]

E. The commissioner shall revoke a certificate of approval if the certified applicant or a person to whom a certificate of approval has been transferred pursuant to paragraph D fails to make a qualified investment within 5 years of the date of the certificate of approval. The commissioner shall revoke a certificate of approval or a certificate of completion if the applicant or transferee ceases operations of the headquarters in the State or the certificate of approval or certificate of completion is transferred to another person without approval from the commissioner pursuant to paragraph D. A certified applicant whose certificate of completion is revoked within 5 years after the date issued shall return to the State an amount equal to the total credits claimed for all tax years under this section. A certified applicant whose certificate of completion is revoked during the period from 6 years after through 10 years after the date the certificate was issued shall return to the State an amount equal to the total credits claimed under this section for the period from 6 years after through 10 years after the date the certificate was issued. If credit amounts are recaptured after a certificate of approval has been transferred as provided in paragraph D, the transferee is responsible for payment of any credit amounts that must be returned to the State. The amount to be returned to the State under this paragraph is, for purposes of this Title, a tax subject to the collection and enforcement provisions contained in Part 1, including the application of applicable interest and penalties. The amount to be returned to the State must be added to the tax imposed on the taxpayer under this Part for the taxable year during which the certificate is revoked. [PL 2019, c. 401, Pt. D, §1 (RPR).]

F. Upon making the qualified investment and completing the headquarters and employment criteria in subsection 1, paragraph G, a certified applicant shall submit an application to the commissioner for a certificate of completion. If the commissioner determines that a qualified investment has been made, the applicant's headquarters is located in the State and at least 25% of the applicant's full-time employees, as measured at the time of application for the certificate of approval, are based in the State, the commissioner shall issue a certificate of completion to the certified applicant as soon as is practical. The certificate of completion must state the amount of qualified investment made by the certified applicant. [PL 2017, c. 405, §1 (AMD).]

The commissioner may not issue certificates of approval under this subsection that total, in the aggregate, more than \$100,000,000 of qualified investment or any individual certificate of approval for more than \$40,000,000 of qualified investment.

[PL 2019, c. 401, Pt. D, §1 (AMD).]

**3. Refundable credit allowed.** A certified applicant who has received a certificate of completion is allowed a credit as provided in this subsection.

A. Subject to the limitations under paragraph B, beginning with the tax year during which the certificate of completion is issued or the tax year beginning in 2020, whichever is later, and for

each of the following 19 tax years, a certified applicant is allowed a credit against the tax due under this Part for the taxable year in an amount equal to 2% of the amount of actual qualified investment specified on the certified applicant's certificate of completion under subsection 2, paragraph F or the amount of qualified investment approved by the commissioner in the certificate of approval under subsection 2, paragraph B, whichever is less. The credit allowed under this paragraph is refundable. [PL 2019, c. 401, Pt. D, §2 (RPR).]

B. The credit under this subsection is limited as follows.

(1) A credit is not allowed for any tax year during which the taxpayer does not meet or exceed the following employment targets as measured on the last day of the tax year.

(a) For each of the first 10 tax years for which the credit is claimed, there must be a total of at least 80 additional full-time employees based in the State above the certified applicant's base level of employment whose jobs were added on or after January 1, 2018 multiplied by the number of years for which the credit has been claimed, including the tax year for which the credit is currently being claimed.

(b) For each tax year after the 10th tax year for which the credit is claimed, the taxpayer must employ a total of at least 800 additional full-time employees based in the State above the certified applicant's base level of employment whose jobs were added on or after January 1, 2018.

Jobs for additional full-time employees that are counted for determining eligibility for the credit under one certificate of completion may not be counted for determining eligibility for the credit under a separate certificate of completion. For purposes of this paragraph, "additional full-time employees" does not include employees who are shifted to a certified applicant's headquarters in the State from an affiliated business in the State. The commissioner shall determine whether a shifting of employees has occurred. For purposes of this paragraph, "affiliated business" has the same meaning as in section 6753, subsection 1-A.

(2) Cumulative credits under this subsection may not exceed \$16,000,000 under any one certificate. [PL 2023, c. 157, §2 (AMD); PL 2023, c. 157, §4 (AFF).]

[PL 2023, c. 157, §2 (AMD); PL 2023, c. 157, §4 (AFF).]

**4. Reporting required.** A certified applicant, the commissioner and the State Tax Assessor are required to make reports pursuant to this subsection.

A. On or before March 1st of each year, a certified applicant shall file a report with the commissioner for the tax year ending during the immediately preceding calendar year, referred to in this subsection as "the report year," containing the following information:

(1) The number of all full-time employees based in this State of the certified applicant on the last day of the report year;

(2) The incremental amount of qualified investment made in the report year;

(3) The total number of additional full-time employees added in the State by the certified applicant above the certified applicant's base level of employment since the date a certificate of approval was issued;

(4) The incremental number of additional full-time employees added in the State by the certified applicant above the certified applicant's base level of employment during the report year;

(5) The average and median wages of all additional full-time employees above the certified applicant's base level of employment in the State whose jobs were added on or after January 1, 2018; and

(6) The percentage and number of all additional full-time employees above the certified applicant's base level of employment who have access to retirement benefits and health benefits.

The commissioner may prescribe forms for the annual report described in this paragraph. The commissioner shall provide copies of the report to the State Tax Assessor and to the joint standing committee of the Legislature having jurisdiction over taxation matters at the time the report is received. [PL 2023, c. 157, §3 (AMD); PL 2023, c. 157, §4 (AFF).]

B. By December 31st of each year, the State Tax Assessor shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the revenue loss during the report year as a result of this section for each taxpayer claiming the credit and, if necessary, shall include updated revenue loss amounts for any previous tax year. For purposes of this paragraph, "revenue loss" means the credit claimed by the taxpayer and allowed pursuant to this section, consisting of the amount of the credit used to reduce the tax liability of the taxpayer and the amount of the credit refunded to the taxpayer, stated separately. [PL 2019, c. 401, Pt. D, §3 (RPR).]

Notwithstanding any other provision of law to the contrary, the reports provided under this subsection are public records as defined in Title 1, section 402, subsection 3. [PL 2023, c. 157, §3 (AMD); PL 2023, c. 157, §4 (AFF).]

**5. Evaluation; specific public policy objective; performance measures.** The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. In developing evaluation parameters to perform the review, the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. That the specific public policy objective of the credit provided under this section is to create and retain high-quality jobs in the State by encouraging major businesses to locate their headquarters in the State or to expand their headquarters in the State. For purposes of this subsection, "high-quality jobs" means jobs for which health insurance benefits and retirement benefits are available; and [PL 2017, c. 405, §1 (NEW).]

B. Performance measures, including, but not limited to:

- (1) The number of additional full-time employees added during a period being reviewed and how employment during that period compares to the minimum employment requirements set forth in subsection 3, paragraph B;
- (2) The amount of qualified investment during a period being reviewed, and how expenditures compare to the minimum level of expenditure set forth in subsection 1, paragraph H;
- (3) The change in the number of major business headquarters located in the State and the number of expansions of those headquarters during a period being reviewed;
- (4) Measures of fiscal impact and overall economic impact to the State; and
- (5) The number of new employees for whom health benefits and retirement benefits are available. [PL 2017, c. 405, §1 (NEW).]

[PL 2017, c. 405, §1 (NEW).]

**REVISOR'S NOTE:** (Subsection 5 as enacted by PL 2017, c. 375, Pt. D, §5 is REALLOCATED TO TITLE 36, SECTION 5219-QQ, SUBSECTION 6)

**6. (REALLOCATED FROM T. 36, §5219-QQ, sub-§5) Rules.** The commissioner and the State Tax Assessor may adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A for implementation of the credit under this section, including, but not limited to, rules for determining and certifying eligibility. The commissioner may also by rule establish fees for obligations under this

section. Any fees collected pursuant to this section must be deposited into a special revenue account administered by the commissioner, and those fees may be used only to defray the actual costs of administering the credit under this section.

[PL 2019, c. 401, Pt. D, §4 (RAL).]

#### SECTION HISTORY

RR 2017, c. 1, §33 (COR). PL 2017, c. 297, §2 (NEW). PL 2017, c. 375, Pt. D, §§3-5 (AMD). PL 2017, c. 405, §1 (AMD). PL 2019, c. 401, Pt. D, §§1-4 (AMD). PL 2023, c. 157, §§1-3 (AMD). PL 2023, c. 157, §4 (AFF).

#### §5219-RR. Tax credit for Maine shipbuilding facility investment

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Certified applicant" means a qualified applicant that has received a certificate of approval from the commissioner pursuant to this section. [PL 2017, c. 361, §2 (NEW).]

B. "Commissioner" means the Commissioner of Economic and Community Development. [PL 2017, c. 361, §2 (NEW).]

C. "Employment" means, for each tax year, the amount determined by adding the total number of qualified employees of a certified applicant on each of 6 consecutive measurement days of that tax year as chosen by the certified applicant and then dividing that sum by 6. [PL 2017, c. 361, §2 (NEW).]

D. "Full-time" means an average of at least 32 hours weekly during the tax year. [PL 2017, c. 361, §2 (NEW).]

E. "Maine shipbuilding facility" means a facility or facilities located within the State dedicated to the design, production, maintenance and repair of surface water vessels and includes real estate, tangible personal property, fixtures, machinery and equipment necessary for those activities. [PL 2017, c. 361, §2 (NEW).]

F. "Measurement day" means the last business day of every other month of a tax year. [PL 2017, c. 361, §2 (NEW).]

G. "Qualified applicant" means an applicant for a tax credit under this section that satisfies each of the following requirements:

- (1) The applicant owns and operates or proposes to construct a Maine shipbuilding facility;
- (2) The applicant proposes to make a qualified investment;
- (3) The applicant employs at least 5,000 qualified employees at the time the application is filed; and
- (4) The applicant does not otherwise qualify for the Pine Tree Development Zone program pursuant to Title 30-A, section 5250-O or the Maine Employment Tax Increment Financing Program established in chapter 917 at the time the application is filed. [PL 2017, c. 361, §2 (NEW).]

H. "Qualified employee" means an individual:

- (1) Who is a full-time employee of the certified or qualified applicant, as the case may be, working at a Maine shipbuilding facility owned and operated by that applicant;
- (2) Whose income from that employment is taxable under chapter 803;
- (3) For whom a retirement program is provided subject to the federal Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 1001 to 1461, as amended;

- (4) For whom group health insurance is provided; and
- (5) Whose income derived from employment with the Maine shipbuilding facility calculated on a calendar year basis is greater than the average annual per capita income in the State. [PL 2017, c. 361, §2 (NEW).]

I. "Qualified investment" means expenditures incurred on or after January 1, 2018 that total at least \$100,000,000 and are related to the construction, improvement, modernization or expansion of a Maine shipbuilding facility, including, without limitation, all expenditures for investigation; planning; design; engineering; permitting; acquisition; financing; construction; demolition; alteration; relocation; remodeling; repair; reconstruction; design, purchase or installation of machinery and equipment; clearing; filling; grading; reclamation of land; activities undertaken to upgrade a waterway serving the facility; training and development of employees; capitalized interest; professional services, including, but not limited to, architectural, engineering, legal, accounting or financial services; administration; environmental and utility costs, including, without limitation, sewage treatment plants, water, air and solid waste equipment and treatment plants, environmental protection devices, electrical facilities, storm or sanitary sewer lines, water lines or amenities, any other utility services, preparation of environmental impact studies, informing the public about the facility and environmental impact and environmental remediation, mitigation, clean-up and protection costs; related offices, support facilities and structures; and any of the foregoing expenditures made or costs incurred prior to or after the effective date of this section or certification of an applicant. "Qualified investment" includes only expenditures that are capitalized for federal income tax purposes. Except for employees who are engaged in the design, engineering and construction of the facility, "qualified investment" does not include the salaries or other compensation paid to the employees of the qualified applicant or of any affiliate of the qualified applicant. "Qualified investment" does not include any expenditure included as a qualified investment by an applicant under former chapter 919 or any amount expended to qualify for Pine Tree Development Zone program benefits under Title 30-A, chapter 206, subchapter 4. [PL 2025, c. 113, Pt. C, §5 (AMD).]

[PL 2025, c. 113, Pt. C, §5 (AMD).]

**2. Procedures for application; certificate of approval.** This subsection governs the application and approval process for the tax credit under this section.

A. A qualified applicant may apply to the commissioner for a certificate of approval. An applicant shall submit to the commissioner information demonstrating that the applicant is a qualified applicant. A certified applicant may hold only one certificate under this section at any time. [PL 2017, c. 361, §2 (NEW).]

B. The commissioner, within 30 days of receipt of an application under paragraph A, shall review the information contained in the application and issue a written determination as to whether the applicant is a qualified applicant. If the commissioner determines that the applicant is a qualified applicant, the commissioner shall issue a certificate of approval to the qualified applicant at the time of the determination. If the commissioner determines that the applicant is not a qualified applicant, the commissioner shall issue a denial of the application at the time of the determination. [PL 2017, c. 361, §2 (NEW).]

C. If a certified applicant proposes to transfer, including, without limitation, transfer by operation of law, all or substantially all of the Maine shipbuilding facility in which a qualified investment was made to another person or if a person proposes to acquire more than 50% of the voting stock of the certified applicant, application may be made to the commissioner to approve transfer of the certificate of approval to that person in connection with the transfer of the stock or facility. The commissioner shall grant the transfer of the certificate only if:

(1) The transferee of the Maine shipbuilding facility or of the certified applicant's stock is a member of the certified applicant's unitary affiliated group as defined in section 5102, subsection 1-B at the time of the transfer; or

(2) The transferee of the Maine shipbuilding facility or of the certified applicant's stock is not a member of the certified applicant's unitary affiliated group as defined in section 5102, subsection 1-B at the time of the transfer and the commissioner finds that the transferee intends to continue the operations of the Maine shipbuilding facility in substantially the same manner as prior to the transfer and has the financial capability to do so.

If the commissioner grants a transfer of the certificate of approval, the transferee must be treated as the certified applicant for all purposes of this section. For purposes of calculation of employment and qualified investments of the certified applicant, the qualified employees and the qualified investments of the transferor prior to transfer must be considered the qualified employees and qualified investments of the transferee. [PL 2017, c. 361, §2 (NEW).]

D. The applicant or certified applicant may appeal in accordance with Title 5, chapter 375, subchapter 7 any determination, action or failure to act by the commissioner. [PL 2017, c. 361, §2 (NEW).]

[PL 2017, c. 361, §2 (NEW).]

**3. Credit.** A certified applicant is allowed a credit annually against the tax otherwise due under this Part as provided in this subsection.

A. Beginning with the tax year after the certified applicant has made qualified investments of at least \$100,000,000, or the tax year beginning on or after January 1, 2020, whichever is later, and for each of the following 9 tax years, a certified applicant is allowed a credit against the tax due under this Part for each taxable year in an amount equal to 3% of the certified applicant's total qualified investment. [PL 2017, c. 361, §2 (NEW).]

B. If a certified applicant completes an additional qualified investment of at least \$100,000,000 prior to January 1, 2025, the certified applicant is allowed a credit against the tax due under this Part beginning with the 11th tax year after the investment required in paragraph A was made and continuing through the 15th tax year after making that investment. The amount of the additional credit available in each of those tax years is 3% of the certified applicant's additional qualified investment. Eligibility for the additional credit must be demonstrated by the certified applicant in the annual reports submitted pursuant to subsection 9. [PL 2017, c. 361, §2 (NEW).]

C. The credit allowed under this subsection may not reduce the tax otherwise due under this Part to less than zero. [PL 2017, c. 361, §2 (NEW).]

[PL 2017, c. 361, §2 (NEW).]

**4. Limitations.** The following are limitations on the credit allowed under subsection 3.

A. Except as provided in subsection 5, the annual credit allowed to a certified applicant or its transferee may not exceed \$3,000,000 in any tax year. Cumulative credits taken under subsection 3, paragraph A may not exceed \$30,000,000 to any certified applicant or transferee. Total cumulative credits taken under this section may not exceed \$45,000,000 to any certified applicant or transferee. [PL 2017, c. 361, §2 (NEW).]

B. For a tax year in which the qualified applicant has employment of fewer than 5,500, the amount of the credit is reduced as provided in subsection 6. [PL 2017, c. 361, §2 (NEW).]

C. A taxpayer that is certified as a qualified Pine Tree Development Zone business under Title 30-A, section 5250-O or that has received a certificate of approval for its employment tax increment financing program pursuant to section 6755 is not eligible for a credit under this section. [PL 2017, c. 361, §2 (NEW).]

D. In no case may the credit be claimed for a tax year that begins after December 31, 2034. [PL 2017, c. 361, §2 (NEW).]  
[PL 2017, c. 361, §2 (NEW).]

**5. Accelerated credit.** If a certified applicant has employment in any tax year of at least 6,000, the credit limitation in subsection 4, paragraph A is increased to \$3,125,000 for that tax year. If employment is at least 6,500, the credit limitation is increased to \$3,250,000. If employment is at least 7,000, the credit is increased to \$3,375,000. If employment is 7,500 or more, the credit is increased to \$3,500,000.  
[PL 2017, c. 361, §2 (NEW).]

**6. Reduced credit for reduced employment.** If a certified applicant's employment is fewer than 5,500 employees during the tax year, the credit allowed pursuant to subsection 3 is reduced as follows.

A. If a certified applicant has employment in a tax year of fewer than 5,500 but at least 5,250, the credit for that year is 90% of the credit otherwise allowed under subsection 3. [PL 2017, c. 361, §2 (NEW).]

B. If a certified applicant has employment in a tax year of fewer than 5,250 but at least 5,000, the credit authorized for that year is 80% of the credit otherwise allowed under subsection 3. [PL 2017, c. 361, §2 (NEW).]

C. If a certified applicant has employment in a tax year of fewer than 5,000 but at least 4,750, the credit for that year is 70% of the credit otherwise allowed under subsection 3. [PL 2017, c. 361, §2 (NEW).]

D. If a certified applicant has employment in a tax year of fewer than 4,750 but at least 4,500, the credit for that year is 60% of the credit otherwise allowed under subsection 3. [PL 2017, c. 361, §2 (NEW).]

E. If a certified applicant has employment in a tax year of fewer than 4,500 but at least 4,250, the credit for that year is 50% of the credit otherwise allowed under subsection 3. [PL 2017, c. 361, §2 (NEW).]

F. If a certified applicant has employment in a tax year of fewer than 4,250 but at least 4,000, the credit for that year is 40% of the credit otherwise allowed under subsection 3. [PL 2017, c. 361, §2 (NEW).]

G. If a certified applicant has employment in a tax year of fewer than 4,000, the credit allowed under subsection 3 may not be taken. [PL 2017, c. 361, §2 (NEW).]  
[PL 2017, c. 361, §2 (NEW).]

**7. Revocation.** A certificate of approval must be revoked by the commissioner if the certified applicant has not made qualified investments of at least \$100,000,000 within 5 years after issuance of the certificate of approval.  
[PL 2017, c. 361, §2 (NEW).]

**8. Additional requirements.** A certified applicant, when awarding contracts, purchasing supplies or subcontracting work related to a qualified investment, shall give preference, to the greatest extent possible, to Maine workers, companies and bidders as long as the supplies, products, services and bids meet the standards required by the certified applicant regarding value, quality, delivery terms and price.  
[PL 2017, c. 361, §2 (NEW).]

**9. Annual reporting requirement.** A certified applicant, the commissioner and the State Tax Assessor shall report annually in accordance with this subsection. Notwithstanding any other provision of law to the contrary, the reports provided under this subsection are public records as defined in Title 1, section 402, subsection 3.

A. On or before March 1st annually, a certified applicant shall file a report with the commissioner for the tax year ending during the immediately preceding calendar year, referred to in this subsection as the "report year," containing the following information:

- (1) The employment of the certified applicant for the report year, including specific information on:
  - (a) The number of qualified employees that are employed by the certified applicant at the end of the report year;
  - (b) The total number of qualified employees hired during the report year; and
  - (c) The number of qualified employees in positions that are covered by a collective bargaining agreement;
- (2) The total dollar amount of payroll associated with employment in the report year, including specific information on:
  - (a) The average annual salary and wages for qualified employees; and
  - (b) The median annual salary and wages for qualified employees;
- (3) The total dollar amount that was spent on goods and services obtained from businesses with an office in the State from which business operations in the State are managed; and
- (4) The incremental level of qualified investments made during the report year, including specific information on:
  - (a) The amount of qualified investment in facility, production equipment and employee training and development, reported as an aggregate sum;
  - (b) The portion of the qualified investment reported under subparagraph (a) that was spent on goods and services from businesses with an office in the State from which business operations in the State are managed; and
  - (c) Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B.

The commissioner may prescribe forms for the annual reports required under this paragraph. The commissioner shall provide copies of the report to the State Tax Assessor and to the joint standing committee of the Legislature having jurisdiction over taxation matters at the time the report is received. [PL 2019, c. 607, Pt. C, §5 (AMD).]

B. On or before April 1st annually, the commissioner shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters aggregate data, with detail consistent with information required of certified applicants under paragraph A, on employment levels and qualified investment amounts of certified applicants for each year beginning with expenditures incurred on or after January 1, 2018. [PL 2017, c. 361, §2 (NEW).]

C. By December 31st of each year, the State Tax Assessor shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the revenue loss during the report year as a result of this section for each taxpayer claiming the credit and, if necessary, shall include updated revenue loss amounts for any previous tax year. For purposes of this paragraph, "revenue loss" means the credit claimed by the taxpayer and allowed pursuant to this section. [PL 2019, c. 607, Pt. C, §6 (AMD).]

[PL 2019, c. 607, Pt. C, §§5, 6 (AMD).]

**10. Evaluation; specific public policy objective; performance measures.** The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. In developing evaluation parameters to perform the review, the Office of Program Evaluation and

Government Accountability, the Legislature's government oversight committee and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. That the specific public policy objective of the credit provided under this section is to create and retain jobs in the shipbuilding industry in this State by providing an income tax credit to reduce the cost of investments in shipbuilding businesses and thereby encourage investment in shipbuilding businesses and improve the competitiveness of this State's shipbuilding industry; and [PL 2017, c. 361, §2 (NEW).]

B. Performance measures, including, but not limited to:

- (1) Employment during the period being reviewed and how employment during that period compares to the minimum employment requirements set forth in subsection 4, paragraph B;
- (2) The amount of qualified investment during the period being reviewed, and how expenditures compare to the minimum level of expenditure set forth in subsection 1, paragraph I;
- (3) Measures of industry competitiveness;
- (4) Measures of fiscal impact and overall economic impact to the State; and
- (5) Information regarding the procedures for ensuring compliance with the preference requirements under subsection 8. [PL 2017, c. 361, §2 (NEW).]

The Office of Program Evaluation and Government Accountability shall provide a report of its evaluation under this subsection to the joint standing committee of the Legislature having jurisdiction over taxation matters by August 15, 2024. Following receipt of the report, the joint standing committee shall determine whether the credit provided under this section is meeting its public policy objectives and whether it should be continued. The joint standing committee may submit a bill to the First Regular Session of the 132nd Legislature to accomplish its recommendations. [PL 2017, c. 361, §2 (NEW).]

#### SECTION HISTORY

PL 2017, c. 361, §2 (NEW). PL 2019, c. 607, Pt. C, §§5, 6 (AMD). PL 2025, c. 113, Pt. C, §5 (AMD).

#### §5219-SS. Dependent exemption tax credit

**1. Resident taxpayer; tax years beginning before 2026.** For tax years beginning on or after January 1, 2018 and before January 1, 2026, a resident individual is allowed a credit against the tax otherwise due under this Part equal to \$300 for each qualifying child and dependent of the taxpayer for whom the taxpayer was eligible to claim the federal child tax credit pursuant to the Code, Section 24 for the same taxable year, subject to the phase-out provisions under subsection 4. [PL 2025, c. 113, Pt. C, §6 (AMD).]

**1-A. Resident taxpayer; tax years beginning 2026 or after.** For tax years beginning on or after January 1, 2026, a resident individual is allowed a credit against the tax otherwise due under this Part equal to \$300 for each dependent of the taxpayer for whom the taxpayer was eligible to claim the federal personal exemption pursuant to the Code, Section 151 in an amount greater than \$0 for the same taxable year, subject to the phase-out provisions under subsection 4. [PL 2025, c. 113, Pt. C, §7 (AMD).]

**2. Nonresident taxpayer; tax years beginning before 2026.** For tax years beginning on or after January 1, 2018 and before January 1, 2026, a nonresident individual is allowed a credit against the tax otherwise due under this Part equal to \$300 for each qualifying child and dependent of the taxpayer for whom the taxpayer was eligible to claim the federal child tax credit pursuant to the Code, Section 24 for the same taxable year, subject to the phase-out provisions under subsection 4, multiplied by the ratio

of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income as modified by section 5122. [PL 2025, c. 113, Pt. C, §8 (AMD).]

**2-A. Nonresident taxpayer; tax years beginning 2026 or after.** For tax years beginning on or after January 1, 2026, a nonresident individual is allowed a credit against the tax otherwise due under this Part equal to \$300 for each dependent of the taxpayer for whom the taxpayer was eligible to claim the federal personal exemption pursuant to the Code, Section 151 in an amount greater than \$0 for the same taxable year, subject to the phase-out provisions under subsection 4, multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income as modified by section 5122. [PL 2025, c. 113, Pt. C, §9 (AMD).]

**3. Part-year resident taxpayer; tax years beginning before 2026.** For tax years beginning on or after January 1, 2018 and before January 1, 2026, an individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part equal to \$300 for each qualifying child and dependent of the taxpayer for whom the taxpayer was eligible to claim the federal child tax credit pursuant to the Code, Section 24 for the same taxable year, subject to the phase-out provisions under subsection 4, multiplied by a fraction, the numerator of which is the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph A, for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income as modified by section 5122. [PL 2025, c. 113, Pt. C, §10 (AMD).]

**3-A. Part-year resident taxpayer; tax years beginning 2026 or after.** For tax years beginning on or after January 1, 2026, an individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part equal to \$300 for each dependent of the taxpayer for whom the taxpayer was eligible to claim the federal personal exemption pursuant to the Code, Section 151 in an amount greater than \$0 for the same taxable year, subject to the phase-out provisions under subsection 4, multiplied by a fraction, the numerator of which is the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph A, for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income as modified by section 5122. [PL 2025, c. 113, Pt. C, §11 (AMD).]

**4. Refundability; phase-out.** For tax years beginning before January 1, 2024, the credit allowed by this section may not reduce the tax otherwise due under this Part to less than zero. For tax years beginning on or after January 1, 2024, the credit allowed under subsections 1, 1-A, 3 and 3-A, as increased by subsection 5 for tax years beginning on or after January 1, 2025, is refundable.

For tax years beginning before January 1, 2025, the amount of the credit allowed by this section must be reduced, but not below zero, by \$7.50 for each \$1,000 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds \$400,000 in the case of a joint return and \$200,000 in any other case.

For tax years beginning on or after January 1, 2025, the amount of the credit allowed by this section, as increased by subsection 5, must be reduced, but not below zero, by \$20 for each \$500 or fraction thereof by which the taxpayer's Maine adjusted gross income exceeds:

- A. For a single individual, \$100,000; [PL 2025, c. 388, Pt. Q, §1 (NEW).]

B. For an individual filing as a head of household, \$125,000; [PL 2025, c. 388, Pt. Q, §1 (NEW).]

C. For individuals filing married joint returns or surviving spouses, \$150,000; and [PL 2025, c. 388, Pt. Q, §1 (NEW).]

D. For a married individual filing a separate return, 1/2 of the applicable amount under paragraph C. [PL 2025, c. 388, Pt. Q, §1 (NEW).]

[PL 2025, c. 388, Pt. Q, §1 (AMD).]

**5. Increased credit for qualifying children and dependents under 6 years of age.** For tax years beginning on or after January 1, 2025, the credit amount allowed in subsections 1, 1-A, 2, 2-A, 3 and 3-A for each qualifying child and dependent who has not attained 6 years of age before the end of the taxable year is multiplied by 2.

[PL 2025, c. 388, Pt. Q, §2 (NEW).]

#### SECTION HISTORY

PL 2017, c. 474, Pt. B, §17 (NEW). PL 2017, c. 474, Pt. B, §26 (AFF). PL 2023, c. 412, Pt. ZZZ, §6 (AMD). PL 2025, c. 113, Pt. C, §§6-11 (AMD). PL 2025, c. 388, Pt. Q, §§1, 2 (AMD).

#### §5219-UU. Employer credit for family and medical leave

For tax years beginning on or after January 1, 2018, a person is allowed a credit against the tax otherwise due under this Part in an amount equal to the federal employer credit for paid family and medical leave allowed to that person under the Code, Section 45S as a result of wages paid to employees based in the State during the taxable year. For purposes of this section, "employees based in the State" means employees that perform more than 50% of employee-related activities for the employer at a location in the State. [PL 2021, c. 253, Pt. A, §6 (AMD); PL 2021, c. 253, Pt. A, §10 (AFF).]

The credit allowed under this section may not reduce the tax otherwise due under this Part to less than zero. The credit may not be carried forward or carried back to any other tax year. [PL 2017, c. 474, Pt. H, §2 (NEW).]

#### SECTION HISTORY

PL 2017, c. 474, Pt. H, §2 (NEW). PL 2021, c. 253, Pt. A, §6 (AMD). PL 2021, c. 253, Pt. A, §10 (AFF).

#### §5219-VV. Credit for major food processing and manufacturing facility expansion

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Base level of employment" means the greater of:

(1) The total employment of a qualified applicant as of the March 31st, June 30th, September 30th and December 31st immediately preceding the application for a certificate of approval under subsection 2 divided by 4; and

(2) The qualified applicant's average employment during the base period. [PL 2019, c. 386, §2 (NEW).]

B. "Base period" means the 3 calendar years prior to the year in which a qualified applicant's application for a certificate of approval under subsection 2 is approved by the commissioner. [PL 2019, c. 386, §2 (NEW).]

B-1. "Catastrophic occurrence" means a fire, flood, hurricane, windstorm, earthquake or other similar event that is not within the control of a business to prevent. [PL 2023, c. 173, §4 (NEW).]

C. "Certified applicant" means a qualified applicant that has received a certificate of approval from the commissioner pursuant to this section. [PL 2019, c. 386, §2 (NEW).]

D. "Commissioner" means the Commissioner of Economic and Community Development. [PL 2019, c. 386, §2 (NEW).]

E. "Employees based in the State" means employees that perform 100% of employee-related activities for the employer at the facility in the State. [PL 2019, c. 386, §2 (NEW).]

F. "Facility" means a food processing and manufacturing facility, plant or mill, including one or more structures and including the equipment, machinery, fixtures and personal property located in, on, over, under and adjacent to those structures, by which the applicant, as determined by the commissioner, processes, produces and manufactures food from agricultural products primarily grown and harvested in the State. [PL 2019, c. 659, Pt. H, §1 (AMD).]

G. "Full-time" means an average of at least 36 hours weekly during the period of measurement. [PL 2019, c. 386, §2 (NEW).]

H. [PL 2025, c. 489, §1 (RP).]

I. "Primarily grown and harvested in the State" means that not less than 95% of the agricultural products processed in the facility are grown and harvested in the State, except when such products are not reasonably available by reason of an act of God, pestilence, weather or other factors beyond the reasonable control of the applicant or applicant's suppliers. [PL 2019, c. 386, §2 (NEW).]

J. "Qualified applicant" means an applicant that, at the time an application for a certificate of approval is submitted, is itself, or is the parent or subsidiary of, an entity that satisfies all of the following criteria:

(2) The applicant intends to make a qualified investment in the State within 5 years following the date of the application;

(3) Construction of the applicant's facility begins no sooner than April 1, 2019 as evidenced by the date of issuance of an appropriate municipal building permit;

(4) The applicant employs or will employ within 12 months of the start-up of the facility at least 40 full-time employees based in the State; and

(5) The annual income derived from employment with the applicant of at least 75% of the applicant's employees who have been employed by the applicant for at least 12 months exceeds the most recent annual per capita personal income in the county in which the facility is located. [PL 2025, c. 489, §§2-4 (AMD).]

K. "Qualified investment" means an expenditure of at least \$35,000,000 to design, permit, construct, modify, equip or expand the applicant's facility in the State. The expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made. A qualified investment does not include an expenditure made prior to April 1, 2019 or after December 31, 2027. [PL 2025, c. 489, §5 (AMD).]

[PL 2025, c. 489, §§1-5 (AMD).]

**2. Procedures for application; certificate of approval.** The provisions of this subsection govern the procedures for providing for and obtaining a certificate of approval.

A. A qualified applicant may apply to the commissioner for a certificate of approval. An applicant shall submit to the commissioner information demonstrating that the applicant is a qualified applicant. If a certified applicant undertakes to make an additional qualified investment, the certified applicant may apply to the commissioner for an additional certificate of approval. [PL 2019, c. 386, §2 (NEW).]

B. The commissioner, within 30 days of receipt of an application submitted pursuant to paragraph A, shall determine whether the applicant is a qualified applicant and shall issue either a certificate

of approval or a written denial indicating why the applicant is not qualified. The certificate issued by the commissioner must describe the qualified investment and specify the total amount of qualified investment approved under the certificate. [PL 2019, c. 386, §2 (NEW).]

C. A certified applicant shall obtain approval from the commissioner to transfer the certificate of approval or, if the certified applicant has obtained a certificate of completion under paragraph E, that certificate of completion to another person. A certificate of approval or certificate of completion may be transferred only if all or substantially all of the assets of the certified applicant are, or will be, transferred to that person or if 50% or more of the certified applicant's voting stock is, or will be, acquired by that person. The commissioner shall approve the transfer of the certificate of approval or the certificate of completion only if at least one of the following conditions is satisfied:

- (1) The transferee is a member of the applicant's unitary affiliated group at the time of the transfer; or
- (2) The commissioner finds that the transferee will, and has the capacity to, maintain operations of the facility in the State in a manner that meets the minimum qualifications for continued eligibility of benefits under this section after the transfer occurs.

If the commissioner approves the transfer of the certificate, the transferee, from the date of the transfer, must be treated as the certified applicant and as eligible to claim any remaining benefit under the certificate of approval or the certificate of completion that has not been previously claimed by the transferor as long as the transferee meets the same eligibility requirements and conditions for the credit as applied to the original certified applicant. [PL 2019, c. 386, §2 (NEW).]

D. The commissioner shall revoke a certificate of approval if the certified applicant or a person to whom a certificate of approval has been transferred pursuant to paragraph C fails to make a qualified investment within 5 years of the date of the certificate of approval. The commissioner shall revoke a certificate of approval or a certificate of completion under paragraph E if the applicant or transferee ceases operations of the facility in the State or the certificate of approval or certificate of completion is transferred to another person without approval from the commissioner pursuant to paragraph C. A certified applicant whose certificate of completion is revoked within 5 years after the date issued shall return to the State an amount equal to the total credits claimed for all tax years under this section. A certified applicant whose certificate of completion is revoked during the period from 6 years after through 10 years after the date the certificate was issued shall return to the State an amount equal to the total credits claimed under this section for the period from 6 years after through 10 years after the date the certificate was issued. The amount to be returned to the State under this paragraph is, for purposes of this Title, a tax subject to the collection and enforcement provisions contained in Part 1, including the application of applicable interest and penalties. The amount to be returned to the State must be added to the tax imposed on the taxpayer under this Part for the taxable year during which the certificate is revoked. An applicant whose certificate of approval or certificate of completion has been revoked pursuant to this paragraph is not eligible for the tax credit under this section for the tax year in which the certificate is revoked and any year after that. [PL 2019, c. 659, Pt. H, §3 (AMD).]

E. A certified applicant shall submit an application to the commissioner for a certificate of completion. If the commissioner determines that the certified applicant has made a qualified investment and determines that, at the time the application for a certificate of completion is submitted, the certified applicant is itself, or is the parent or subsidiary of, an entity that satisfies all of the criteria in subsection 1, paragraph J, the commissioner shall issue a certificate of completion to the certified applicant as soon as is practical. The certificate of completion must

state the amount of qualified investment made by the certified applicant. [PL 2025, c. 489, §6 (AMD).]

The commissioner may not issue certificates of approval under this subsection that total, in the aggregate, more than \$200,000,000 of qualified investment or any individual certificate of approval for more than \$100,000,000 of qualified investment.

[PL 2025, c. 489, §§6, 7 (AMD).]

**3. Refundable credit allowed.** A certified applicant is allowed a credit as provided in this subsection.

A. Subject to the limitations under paragraph B, beginning with the first full tax year after the certified applicant has been issued a certificate of completion under subsection 2, paragraph E or the tax year beginning on January 1, 2022, whichever is later, and for each of the following 19 tax years, a certified applicant is allowed a credit against the tax due under this Part for the taxable year in an amount equal to 1.8% of the certified applicant's qualified investment, except that, for a tax year beginning on or after January 1, 2027, a certified applicant is allowed a credit against the tax due under this Part for the taxable year in an amount equal to 2% of the certified applicant's qualified investment. A certified applicant may not claim a credit under this subsection for more than 20 years. If the certified applicant is a pass-through entity, the owner or owners of the certified applicant are allowed the credit. The credit allowed under this paragraph is refundable. [PL 2025, c. 489, §8 (AMD).]

B. The credit under this subsection is limited as follows.

(1) A credit is not allowed for any tax year during which the taxpayer does not meet or exceed the following employment targets as measured on the last day of the tax year.

(a) For each of the first 3 tax years for which the credit is claimed, there must be a total of at least 40 full-time employees based in the State above the certified applicant's base level of employment whose jobs were added since the first day of the year in which the certificate of approval was issued.

(b) For each tax year after the 3rd tax year for which the credit is claimed, the taxpayer must employ a total of at least 60 full-time employees based in the State above the certified applicant's base level of employment whose jobs were added since the first day of the year in which the certificate of approval was issued.

Jobs for additional full-time employees that are counted for determining eligibility for the credit under one certificate of completion under subsection 2, paragraph E may not be counted for determining eligibility for the credit under a separate certificate of completion. For purposes of this subparagraph, "additional full-time employees" does not include employees who are shifted to a certified applicant's facility in the State from an affiliated business in the State. The commissioner shall determine whether a shifting of employees has occurred. For purposes of this subparagraph, "affiliated business" has the same meaning as in section 6753, subsection 1-A.

(3) Cumulative credits under this subsection may not exceed \$30,600,000 under any one certificate.

(4) A credit is not allowed for any tax year during which the certified applicant does not satisfy all of the following criteria:

(b) The certified applicant has a facility in the State; and

(c) The annual income derived from employment with the certified applicant of at least 75% of the certified applicant's employees who have been employed by the certified

applicant for at least 12 months exceeds the most recent annual per capita personal income in the county in which the facility is located.

For purposes of this subparagraph, "certified applicant" includes the parent or subsidiary of the certified applicant. [PL 2025, c. 489, §§9-11 (AMD).]  
[PL 2025, c. 489, §§8-11 (AMD).]

**4. Appeals.** The applicant or certified applicant may appeal in accordance with Title 5, chapter 375, subchapter 7 any determination, action or failure to act by the commissioner under this section. [PL 2019, c. 386, §2 (NEW).]

**5. Reporting required.** A certified applicant, the commissioner and the assessor are required to make reports pursuant to this subsection.

A. On or before March 1st of each year, a certified applicant shall file a report with the commissioner for the tax year ending during the immediately preceding calendar year, referred to in this subsection as "the report year." The report must include, at a minimum, metrics and other progress measures, including the following information:

- (1) The number of full-time employees based in the State of the certified applicant on the last day of the report year;
- (2) The incremental amount of qualified investment made in the report year;
- (3) The total number of full-time employees based in the State in the report year;
- (4) The number of jobs offered by the certified applicant during the report year above the base level of employment; and
- (5) The number of jobs that have been added since the day the certificate of approval was issued.

The commissioner may prescribe forms for the annual report described in this paragraph. The commissioner shall provide copies of the report to the assessor, to the Office of Program Evaluation and Government Accountability and to the joint standing committee of the Legislature having jurisdiction over taxation matters at the time the report is received. [PL 2025, c. 489, §12 (AMD).]

B. By April 1st of each year, the commissioner shall report to the Office of Program Evaluation and Government Accountability and to the joint standing committee of the Legislature having jurisdiction over taxation matters aggregate data on employment levels and qualified investment amounts of certified applicants for each year that the certified applicant claimed a credit under this section. [PL 2019, c. 607, Pt. C, §7 (AMD).]

C. By December 31st of each year, the assessor shall report to the Office of Program Evaluation and Government Accountability and to the joint standing committee of the Legislature having jurisdiction over taxation matters the revenue loss during the report year as a result of this section for each taxpayer claiming the credit and, if necessary, shall include updated revenue loss amounts for any previous tax year. For purposes of this paragraph, "revenue loss" means the credit claimed by the taxpayer and allowed pursuant to this section, consisting of the amount of the credit used to reduce the tax liability of the taxpayer and the amount of the credit refunded to the taxpayer, stated separately. [PL 2019, c. 607, Pt. C, §7 (NEW).]

Notwithstanding any provision of law to the contrary, the reports provided under this subsection are public records as defined in Title 1, section 402, subsection 3.  
[PL 2025, c. 489, §12 (AMD).]

**6. Rulemaking.** The commissioner may adopt routine technical rules as defined in Title 5, chapter 375, subchapter 2-A to implement this section.  
[PL 2019, c. 386, §2 (NEW).]

**7. Evaluation; specific public policy objectives; performance measures.** The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. The Office of Program Evaluation and Government Accountability shall submit an evaluation of the credit provided under this section to the joint legislative committee established to oversee program evaluation and government accountability and the joint standing committee of the Legislature having jurisdiction over taxation matters. In developing evaluation parameters to perform the review, the office shall consider:

- A. That the specific public policy objectives of the credit provided under this section are:
- (1) To create high-quality jobs in the State by encouraging major businesses to locate or expand their food processing and manufacturing facilities in this State and to encourage the recruitment and training of employees for these facilities; and
  - (2) To directly and indirectly improve the overall economy of the State including the agricultural economy, small businesses, employment in rural areas and expansion of the tax base; and [PL 2019, c. 386, §2 (NEW).]
- B. Performance measures, including, but not limited to:
- (1) The number, geographic distribution and income of full-time employees added or retained during a period being reviewed who would not have been added or retained in the absence of the credit;
  - (2) The number and amount of qualified investments made by certified applicants during the review period;
  - (3) The increase in value in agricultural products produced in the State; and
  - (4) Direct and indirect economic benefits to the State attributable to qualified investments entitled to a credit under this section. [PL 2019, c. 386, §2 (NEW).]

[PL 2019, c. 386, §2 (NEW).]

**8. Catastrophic occurrence; benefits.** A certified applicant may apply for an adjustment of the base level of employment as described in this section if it has sustained at least a 15% loss of employed workers due to a catastrophic occurrence. For the purposes of this section, the base level of employment may be adjusted to subtract the reduction in employment at the locations affected by the catastrophic occurrence to the extent that the employment was included in the base level of employment at the time of application for a certificate of approval under subsection 2. A certified applicant must apply for an adjustment of the base level of employment within 2 calendar years of the catastrophic occurrence. [PL 2023, c. 173, §5 (NEW).]

#### SECTION HISTORY

PL 2019, c. 386, §2 (NEW). PL 2019, c. 607, Pt. C, §7 (AMD). PL 2019, c. 659, Pt. H, §§1-6 (AMD). PL 2023, c. 173, §§4, 5 (AMD). PL 2025, c. 489, §§1-12 (AMD).

#### §5219-WW. Credit for affordable housing

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Affordable housing project" means a qualified low-income housing project, as defined by Section 42(g) of the Code, located in the State. [PL 2019, c. 555, §6 (NEW).]
- B. "Area median gross income" has the same meaning as in Section 42 of the Code, as adjusted for family size. [PL 2019, c. 555, §6 (NEW).]
- C. "Authority" means the Maine State Housing Authority. [PL 2019, c. 555, §6 (NEW).]

D. "Federal low-income housing tax credit" means the federal tax credit as provided in Section 42 of the Code. [PL 2019, c. 555, §6 (NEW).]

E. "Qualified basis" has the same meaning as in Section 42(c) of the Code. [PL 2019, c. 555, §6 (NEW).]

F. "Qualified Maine project" means an affordable housing project that is:

(1) Either the construction of one or more new buildings or the adaptive reuse of one or more previously constructed buildings that have not been previously used for residential purposes;

(2) Subject to a restrictive covenant requiring an income mix in which at least 60% of the units in the project to which credits are allocated are restricted to households with income at or below 50% of area median gross income; and

(3) Eligible for the 30% present value credit as described in Section 42 of the Code as a result of tax-exempt financing described in Section 42(h)(4)(B) of the Code. [PL 2019, c. 555, §6 (NEW).]

G. "Qualified rural development preservation project" means an affordable housing project in which at least 75% of the residential units are assisted or financed under a United States Department of Agriculture, Office of Rural Development, Rural Housing Service rural development program. [PL 2019, c. 555, §6 (NEW).]

H. "Senior housing" means multifamily affordable rental housing units serving seniors that receive funding and project-based rental assistance under a United States Department of Agriculture, Office of Rural Development, Rural Housing Service rural development program or United States Department of Housing and Urban Development multifamily elderly housing program or that meet the definition of "housing for older persons" under the federal Fair Housing Act, 42 United States Code, Section 3607(b)(2) and the Maine Human Rights Act. [PL 2019, c. 555, §6 (NEW).]

I. "Supportive housing" means housing to assist persons with special needs in achieving housing stability. For purposes of this paragraph, "person with special needs" includes a person who has experienced chronic homelessness or is displaced, has a disability, is a victim of domestic violence or has other special housing needs. [PL 2019, c. 555, §6 (NEW).]

[PL 2019, c. 555, §6 (NEW).]

**2. Credit allowed.** A taxpayer receiving a credit certificate from the authority for the taxable year pursuant to Title 30-A, section 4722, subsection 1, paragraph GG is allowed a credit against the tax imposed under this Part:

A. Equal to the total federal low-income housing tax credit computed using the entire federal low-income housing tax credit period as described in Section 42(f) of the Code for all buildings in a qualified Maine project or a lesser amount as may be allocated by the authority pursuant to subsection 4; or [PL 2021, c. 1, Pt. Y, §1 (AMD).]

B. Equal to 50% of the qualified basis of an affordable housing project that incurs not less than \$100,000 includible in eligible basis as defined in Section 42(d) of the Code in the construction or rehabilitation of an affordable housing project for which a credit is not claimed under Section 42 of the Code with regard to those expenditures, except that not more than \$500,000 in credit may be allocated to taxpayers for a single project under this paragraph. [PL 2019, c. 555, §6 (NEW).]

A credit may be allowed for an affordable housing project under paragraph A or B but not both. [PL 2021, c. 1, Pt. Y, §1 (AMD).]

**3. Maximum credit; carry-forward.** The total credit amount available pursuant to this section and section 2534 to be allocated by the authority for each calendar year beginning on or after January 1, 2021 and ending on or before December 31, 2028 is subject to the following limitations.

A. The total allocation may not exceed \$10,000,000. Any portion of that amount not allocated in a calendar year may be carried forward and available to be allocated in subsequent calendar years, except that:

- (1) Any previously allocated credits returned to the authority, excluding any credits recaptured under subsection 7, must be added to that amount; and
- (2) The authority may not allocate more than \$15,000,000 in any calendar year. [PL 2019, c. 555, §6 (NEW).]

B. No more than 20% of credits allocated in any calendar year may be allocated under subsection 2, paragraph B. [PL 2019, c. 555, §6 (NEW).]

C. Ten percent of credits first available to be allocated in any calendar year must be set aside to be allocated for the purpose of qualified rural development preservation projects pursuant to subsection 2, paragraph B. Any portion of the amount under this paragraph not allocated in a calendar year must be carried forward and be available to be allocated in subsequent calendar years for the purpose of qualified rural development preservation projects. To the extent that any amounts set aside under this paragraph are not allocated on or before December 31, 2028, those amounts may be allocated by the authority without regard to whether the project is a qualified rural development preservation project. [PL 2019, c. 555, §6 (NEW).]

D. Only those credits that have been carried forward or returned, excluding any credits recaptured under subsection 7, as described in this subsection may be allocated by the authority after December 31, 2028. [PL 2019, c. 555, §6 (NEW).]

[PL 2019, c. 555, §6 (NEW).]

**4. Timing of allocation by authority and credit.** The authority may not make an allocation of credit to a taxpayer for a project before the date that any portion of the project is placed in service for federal tax purposes. Upon making an allocation of a credit to a taxpayer, the authority shall certify the allocation to the taxpayer and to the bureau. The certification must provide information required by the assessor for determining eligibility and the amount of the credit for each taxable year.

A. The entire credit allowed for a project pursuant to this section must be taken in the later of:

- (1) The first taxable year in which the federal low-income housing tax credit for that project is claimed for projects allocated a credit pursuant to subsection 2, paragraph A; and
- (2) The first taxable year for which the project has an allocation of credit from the authority. [PL 2019, c. 555, §6 (NEW).]

B. Notwithstanding paragraph A, the authority may allocate a credit to a taxpayer for a project for the immediately preceding calendar year if:

- (1) The project was placed in service for federal tax purposes in the immediately preceding calendar year; and
- (2) The allocation is made no later than the 60th day of the calendar year following the year in which the project was placed in service. [PL 2019, c. 555, §6 (NEW).]

C. The authority shall allocate credit for a qualified Maine project in an amount equal to the total federal low-income housing tax credit computed using the entire federal low-income housing tax credit period as described in Section 42(f) of the Code for all buildings in that qualified Maine project, except that the authority may allocate a lesser amount if the authority determines that is necessary to avoid any reduction pursuant to Section 42(m)(2) of the Code in the federal low-income housing tax credit otherwise available for that qualified Maine project. [PL 2021, c. 1, Pt. Y, §2 (NEW).]

[PL 2021, c. 1, Pt. Y, §2 (AMD).]

**5. Credit refundable.** The credit allowed under this section is refundable.  
[PL 2019, c. 555, §6 (NEW).]

**6. Allocation of credit among taxpayers.** Credits allowed to a partnership, a limited liability company taxed as a partnership or multiple owners of a credit-qualified affordable housing project must be passed through to the partners, members or owners respectively pro rata in the same manner as under section 5219-G, subsection 1 or pursuant to an executed written agreement among the partners, members or owners documenting an alternate allocation method. Credits may be allocated to partners, members or owners that are exempt from taxation under the Code, Section 501(c)(3), Section 501(c)(4) or Section 501(c)(6), and those partners, members or owners must be treated as taxpayers for the purposes of this section. Credits allowed under subsection 2, paragraph B may be claimed by an entity that is exempt from taxation under the Code, Section 501(c)(3), Section 501(c)(4) or Section 501(c)(6) and is the owner of the affordable housing. The tax-exempt entity must be treated as a taxpayer for purposes of this section.  
[PL 2019, c. 555, §6 (NEW).]

**7. Recapture; restrictive covenant requirement; liens.** The following provisions apply to the recapture of credits in the event an affordable housing project does not remain qualified as specified in this section. The authority shall administer this subsection.

A. For purposes of this subsection, unless the context otherwise indicates, "credit-qualified affordable housing project" means an affordable housing project:

- (1) In which at least 60% of the residential units for which credits are allocated are restricted to households with income at or below 50% of area median gross income; or
- (2) That is a qualified rural development preservation project. [PL 2019, c. 555, §6 (NEW).]

B. A credit-qualified affordable housing project must remain a credit-qualified affordable housing project for a total of 45 years from the date the credit-qualified affordable housing project is placed in service. If the property does not remain a credit-qualified affordable housing project for 15 years from the date the affordable housing project is placed in service, the owner of the project shall pay to the authority, for deposit in the Housing Opportunities for Maine Fund established under Title 30-A, section 4853, an amount equal to the total credit allocated to the project reduced by an amount equal to the product of that total credit allocated multiplied by a fraction, the numerator of which is the number of months the project has remained a credit-qualified affordable housing project since the date it was placed in service and the denominator of which is 180, except that the amount payable by the owner of the project must be prorated in proportion to the number of residential units that do not remain in compliance with the income requirements and other restrictions imposed by this section.

The requirements and the repayment obligation in this paragraph must be set forth in a restrictive covenant executed by the owner of the credit-qualified affordable housing project for the benefit of and enforceable by the authority and recorded in the appropriate registry of deeds before the owner of the property claims the credit. [PL 2019, c. 555, §6 (NEW).]

C. If the repayment obligation in paragraph B is not fully satisfied after written notice is sent by certified mail or registered mail to the owner of the property at the owner's last known address, the authority may file a notice of lien in the registry of deeds of the county in which the real property subject to the lien is located. The notice of lien must specify the amount and interest due, the name and last known address of the owner, a description of the property subject to the lien, the authority's address and the name and address of the authority's attorney, if any. The authority shall send a copy of the notice of lien filed in the registry of deeds by certified mail or registered mail to the owner of the property at the owner's last known address and to any person who has a security interest, mortgage, lien, encumbrance or other interest in the property that is properly recorded in the registry of deeds of the county in which the property is located. The lien arises and becomes

perfected at the time the notice is filed in the appropriate registry of deeds in accordance with this paragraph. The lien constitutes a lien on all property with respect to which the owner receives the credit and the proceeds of any disposition of the property that occurs after notice to the owner of the repayment obligation. The lien is prior to any mortgage and security interest, lien, restrictive covenant or other encumbrance recorded, filed or otherwise perfected after the notice of lien is filed in the appropriate registry of deeds. The lien may be enforced by a turnover or sale order in accordance with Title 14, section 3131 or any other manner in which a judgment lien may be enforced under the law. The lien must be in the amount specified in the notice of lien. Upon receipt of payment of all amounts due under the lien, the authority shall execute a discharge of the lien for filing in the registry or offices in which the notice of lien was filed. [PL 2019, c. 555, §6 (NEW).]

D. Notwithstanding paragraphs A, B and C, a credit-qualified affordable housing project that fails to meet the requirements of this section due to a casualty loss is not subject to recapture or lien if the loss is restored by reconstruction or replacement within a reasonable period of time established by the authority. [PL 2019, c. 555, §6 (NEW).]

[PL 2019, c. 555, §6 (NEW).]

**8. Allocation of credit for new rental units.** The authority in allocating the credit for the construction or adaptive reuse of buildings for new rental units shall seek to achieve the following targets over time:

A. At least 30% of the credit must be allocated to the construction or adaptive reuse of buildings for new rental units of senior housing; and [PL 2019, c. 555, §6 (NEW).]

B. At least 20% of the credit must be allocated to the construction or adaptive reuse of buildings for new rental units of multifamily affordable rental housing located in rural areas as defined by the authority in rules adopted under Title 30-A, section 4722, subsection 1, paragraph GG. [PL 2019, c. 555, §6 (NEW).]

In meeting these targets, senior housing that is located in rural areas may be included in the percentages in both paragraphs A and B.

In allocating the credit for the construction or adaptive reuse of buildings for new rental units, the authority shall require or provide incentives to encourage, for a minimum of 4 units or 20% of the total number of units, whichever is greater, that occupancy preference be given to persons who qualify for supportive housing.

[PL 2019, c. 555, §6 (NEW).]

**9. Reporting.** Beginning in 2022, by March 1st annually the director of the authority shall report to the bureau, to the Office of Program Evaluation and Government Accountability and to the joint standing committee of the Legislature having jurisdiction over taxation matters on the status of the credit if there has been new activity since the previous report. The report must include, but is not limited to, the amount of the credits allocated under this section, the location and cost of projects receiving credits, the number and type of residential units created or improved by each project, the number and type of units allocated credits in qualified rural development preservation projects and senior housing projects and the amount of other investment leveraged by each project, including federal low-income housing tax credits.

[PL 2019, c. 555, §6 (NEW).]

**10. Evaluation; specific public policy objective; performance measures.** The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. In developing evaluation parameters to perform the review, the Office of Program Evaluation and Government Accountability, the Legislature's government oversight committee and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. That the specific public policy objective of the credit provided under this section is to create new affordable housing units for residents of the State, including for seniors, working families and persons with disabilities, and to preserve the affordability of residential units developed or operated with the financial assistance of the United States Department of Agriculture, Office of Rural Development, Rural Housing Service; and [PL 2019, c. 555, §6 (NEW).]

B. Performance measures, including, but not limited to:

- (1) The number and type of new residential units created;
- (2) The number and type of affordable United States Department of Agriculture, Office of Rural Development, Rural Housing Service residential units preserved;
- (3) The amount of credits issued during the period being reviewed and the amount of other investment leveraged by the credits; and
- (4) The extent to which allocations of the credits have met the targets described in subsection 8. [PL 2019, c. 555, §6 (NEW).]

The Office of Program Evaluation and Government Accountability shall provide a report of its evaluation under this subsection to the joint standing committee of the Legislature having jurisdiction over taxation matters.

[PL 2019, c. 555, §6 (NEW).]

#### SECTION HISTORY

PL 2019, c. 555, §6 (NEW). PL 2021, c. 1, Pt. Y, §§1, 2 (AMD).

#### §5219-XX. Renewable chemicals tax credit

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Biobased content" means the total mass of organic carbon derived from renewable biomass, expressed as a percentage, determined by testing representative samples using the ASTM International D6866 standard test methods. [PL 2019, c. 628, §3 (NEW).]

A-1. "Cellulose nanomaterial" means any cellulose-based material, extracted from trees, plants, aquaculture sources or by-products from their manufacturing using either a chemical, mechanical or enzymatic process or a combination of these processes, that has at least one external dimension in the range of one to 100 nanometers. [PL 2021, c. 181, Pt. A, §13 (NEW).]

B. "Renewable biomass" has the same meaning as in 7 United States Code, Section 8101(13). [PL 2019, c. 628, §3 (NEW).]

C. "Renewable chemical" means a renewable chemical, as defined in 7 United States Code, Section 8101(14), that:

- (1) Is the product of, or reliant upon, biological conversion, thermal conversion or a combination of biological and thermal conversion of renewable biomass or is a cellulose nanomaterial;
- (2) Is sold or used by the taxpayer:
  - (a) For the production of chemicals, polymers, plastics or formulated products; or
  - (b) As a chemical, polymer, plastic or formulated product;
- (3) Is not less than 95% biobased content, as determined by testing representative samples using the ASTM International D6866 standard test methods; and
- (4) Is not sold or used for production of any, or sold as, food, feed or fuel, including any biofuel as defined under section 5219-X, subsection 1, except that "renewable chemical" may include:

- (a) Cellulosic sugars used to produce aquaculture feed; and
- (b) A food additive, supplement, vitamin, nutraceutical or pharmaceutical that does not provide caloric value and is not considered food or feed. [PL 2021, c. 181, Pt. A, §13 (AMD).]

[PL 2021, c. 181, Pt. A, §13 (AMD).]

**2. Credit allowed.** A taxpayer engaged in the production of renewable chemicals in the State who has complied with subsection 5 and the rules adopted under that subsection is allowed a credit against the tax imposed by this Part on income derived during the taxable year from the production of renewable chemicals in the amount of 8¢ per pound of renewable chemical produced in the State.

[PL 2025, c. 477, §1 (AMD); PL 2025, c. 477, §2 (AFF).]

**3. Reporting.** A taxpayer allowed a credit under subsection 2 shall report to the Department of Economic and Community Development, for each tax credit awarded, the dollar amount of the tax credit, the number of direct manufacturing jobs created and the dollar amount of capital investment in manufacturing.

[PL 2021, c. 181, Pt. A, §13 (AMD).]

**4. Limitation.** A person entitled to a tax credit under this section for any taxable year may carry over and apply the portion of any unused credits to the tax liability on income derived from the production of renewable chemicals for any one or more of the next succeeding 10 taxable years. The credit allowed, including carryovers, may not reduce the tax otherwise due under this Part to less than zero.

[PL 2019, c. 628, §3 (NEW).]

**5. Information reporting and 3rd-party testing; rules.** A taxpayer engaged in the production of renewable chemicals that is claiming a credit under subsection 2 shall provide information to the assessor regarding the renewable chemicals being produced, including the weight of renewable chemicals produced during the tax year, the type of renewable biomass used and any other information required by the assessor to determine compliance with this section. The assessor shall adopt rules requiring 3rd-party testing of the renewable chemicals to ensure the accuracy of the reported information. Rules adopted pursuant to this subsection are routine technical rules as provided in Title 5, chapter 375, subchapter 2-A.

[PL 2021, c. 181, Pt. A, §13 (NEW).]

This section applies to tax years beginning on or after January 1, 2021. [PL 2019, c. 628, §3 (NEW).]

#### SECTION HISTORY

PL 2019, c. 628, §3 (NEW). PL 2021, c. 181, Pt. A, §13 (AMD). PL 2025, c. 477, §1 (AMD). PL 2025, c. 477, §2 (AFF).

#### §5219-YY. Credit for paper manufacturing facility investment

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Certified applicant" means a qualified applicant that has received a certificate of approval from the commissioner pursuant to this section. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

B. "Commissioner" means the Commissioner of Economic and Community Development. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

C. "Employee based at a paper manufacturing facility" means an employee who performs more than 50% of the employee's employee-related activities for the employer at a paper manufacturing facility. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

D. "Full-time" means an average of at least 36 hours weekly during the period of measurement. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

E. "Headquarters" has the same meaning as in section 5219-QQ, subsection 1, paragraph F. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

F. "Paper manufacturing facility" means a facility in the State that is used primarily to manufacture paper products, including facilities used in support of such paper manufacturing. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

G. "Qualified applicant" means an applicant that, at the time an application for a certificate of approval is submitted, satisfies the following criteria:

(1) The applicant owns a paper manufacturing facility located in a county in this State with an unemployment rate that is at least 20% higher than the state average unemployment rate, as determined in the most recent annual state and county unemployment rate report issued by the Department of Labor;

(2) The applicant directly employs at least 400 qualified employees, at least 75% of whom earn at least 115% of the most recent annual per capita personal income in the county in which the qualified employee is employed;

(3) The applicant intends to make a qualified investment in the State within 2 years following the date of the application;

(4) The applicant's paper manufacturing facility is not located within a low-income community. As used in this subparagraph, "low-income community" has the same meaning as in the Code, Section 45D(e)(1);

(5) The applicant has not received a qualified low-income community investment under section 5219-HH with respect to the paper manufacturing facility at which the qualified investment is made or intended to be made;

(6) The applicant's headquarters are or will be located in the State; and

(7) The applicant is not certified under the Pine Tree Development Zone program pursuant to Title 30-A, section 5250-O or the Maine Employment Tax Increment Financing Program established in chapter 917. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

H. "Qualified employee" means a full-time employee of the qualified applicant based at a paper manufacturing facility for whom a retirement program subject to the federal Employee Retirement Income Security Act of 1974, 29 United States Code, Chapter 18 and group health insurance are provided and whose income derived from employment at a paper manufacturing facility, calculated on a calendar year basis, is greater than the most recent annual per capita personal income in the county in which the qualified employee is employed. "Qualified employee" does not include an employee who is transferred, as determined by the commissioner, to a qualified applicant from an affiliated business located in the State. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

I. "Qualified investment" means expenditures of at least \$15,000,000 to design, permit, build, rebuild, modify, replace, repair or acquire machinery or equipment, including supporting equipment, to modernize or improve a paper manufacturing facility. The expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made. A qualified investment includes any amount spent, prior to the issuance of a certificate of approval,

on machinery, equipment, repair parts, replacement parts or replacement equipment, including additions and accessions to other machinery and equipment, as long as the machinery, equipment, parts, additions or accessions are placed in service after the issuance of a certificate of approval. A qualified investment does not include an investment made prior to January 1, 2019 or after December 31, 2023. "Qualified investment" does not include any amount expended to qualify for Pine Tree Development Zone program benefits under Title 30-A, chapter 206, subchapter 4. [PL 2021, c. 485, §1 (AMD); PL 2021, c. 485, §3 (AFF).]  
[PL 2021, c. 485, §1 (AMD); PL 2021, c. 485, §3 (AFF).]

**2. Procedures for application; certificate of approval.** This subsection governs the procedures for providing for and obtaining a certificate of approval.

A. A qualified applicant may apply to the commissioner for a certificate of approval. An applicant shall submit to the commissioner information demonstrating that the applicant is a qualified applicant. If a certified applicant undertakes to make an additional qualified investment, the certified applicant may apply to the commissioner for an additional certificate of approval. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

B. The commissioner, within 30 days of receipt of an application submitted pursuant to paragraph A, shall determine whether the applicant is a qualified applicant and shall issue either a certificate of approval or a written denial indicating why the applicant is not qualified. The certificate issued by the commissioner must describe the qualified investment and specify the total amount of qualified investment approved under the certificate.

The commissioner may not issue certificates of approval under this subsection that total, in the aggregate, more than \$40,000,000 of qualified investment. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

C. A certified applicant shall obtain approval from the commissioner prior to the transfer of a certificate of approval or, if the certified applicant has obtained a certificate of completion under paragraph E, that certificate of completion to another person. A certificate of approval or certificate of completion may be transferred only if all or substantially all of the assets of the certified applicant are, or will be, transferred to that person or if 50% or more of the certified applicant's voting stock or analogous noncorporate equity interest is, or will be, acquired by that person. The commissioner shall approve the transfer of the certificate of approval or the certificate of completion only if at least one of the following conditions is satisfied:

- (1) The transferee is a member of the certified applicant's unitary affiliated group as defined in section 5102, subsection 1-B at the time of the transfer; or
- (2) The commissioner finds that the transferee will, and has the capacity to, maintain operations of the paper manufacturing facility in a manner that meets the minimum qualifications for continued eligibility of benefits under this section after the transfer occurs.

If the commissioner approves the transfer of the certificate, the transferee, from the date of the transfer, must be treated as the certified applicant and as eligible to claim any remaining benefit under the certificate of approval or the certificate of completion that has not been previously claimed by the transferor as long as the transferee meets the same eligibility requirements and conditions for the credit as applied to the original certified applicant. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

D. The commissioner shall revoke a certificate of approval if the certified applicant or a person to whom a certificate of approval has been transferred pursuant to paragraph C fails to make a qualified investment within 2 years of the date of the certificate of approval. The commissioner shall revoke a certificate of approval or a certificate of completion under paragraph E if the applicant or transferee ceases operations of the paper manufacturing facility in the State or the

certificate of approval or certificate of completion is transferred to another person without approval from the commissioner pursuant to paragraph C. A certified applicant whose certificate of completion is revoked within 5 years after the date issued shall return to the State an amount equal to the total credits claimed under this section. A certified applicant whose certificate of completion is revoked during the period from 6 years after to 10 years after the date the certificate was issued shall return to the State an amount equal to the total credits claimed under this section for the period from 6 years after to 10 years after the date the certificate was issued. If credit amounts are subject to recapture after a certificate of approval has been transferred as provided in paragraph C, the transferee is responsible for payment of any credit amounts that must be returned to the State. A certified applicant whose certificate of approval or certificate of completion has been revoked pursuant to this paragraph is not eligible for the tax credit under this section for the tax year in which the certificate is revoked and any year thereafter. Any amount to be returned to the State pursuant to this paragraph must be added to the tax imposed on the taxpayer under this Part for the taxable year during which the certificate is revoked. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

E. Upon making a qualified investment, a certified applicant shall submit an application to the commissioner for a certificate of completion. If the commissioner determines that a qualified investment has been made, the commissioner shall issue a certificate of completion to the certified applicant as soon as is practical. The certificate of completion must state the amount of qualified investment made by the certified applicant. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

F. Upon issuance of a certificate of completion in accordance with paragraph E, the commissioner shall issue, on behalf of the State, a memorandum to the qualified applicant describing the tax credits provided by this section to the applicant at the time the certificate of completion is issued. The memorandum must provide that the certificate of completion does not prohibit the commissioner from revoking a certificate in accordance with paragraph D and does not prohibit the assessor from assessing and collecting an overpaid benefit in accordance with the provisions of this Title. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

[PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

**3. Refundable credit allowed.** For tax years beginning on or after January 1, 2024, a certified applicant is allowed a credit as provided in this subsection.

A. Subject to the limitations under paragraph B, beginning with the tax year during which a certificate of completion is issued under subsection 2, paragraph E or the tax year beginning in 2024, whichever is later, and for each of the following 9 tax years, a certified applicant is allowed a credit against the tax due under this Part for the taxable year in an amount equal to 4% of the certified applicant's qualified investment.

The credit allowed under this subsection is refundable. [PL 2021, c. 485, §2 (AMD); PL 2021, c. 485, §3 (AFF).]

B. The credit under this subsection is limited as follows.

(1) A credit is not allowed for any tax year during which the taxpayer does not have at least 400 qualified employees based at the paper manufacturing facility where the qualified investment was made, at least 75% of whom earn at least 115% of the most recent annual per capita personal income in the county in which the qualified employee is employed, as measured on the last day of the tax year.

(2) Cumulative credits under this subsection for all certified applicants may not exceed \$1,600,000 per year and \$16,000,000 in total.

(3) A credit is not allowed to any person if the certified applicant has received a qualified low-income community investment under section 5219-HH with respect to the paper manufacturing facility at which the qualified investment is made under this section.

(4) A credit is not allowed to any person who receives benefits under the Pine Tree Development Zone program pursuant to Title 30-A, section 5250-O or the Maine Employment Tax Increment Financing Program established in chapter 917 related to the paper manufacturing facility in the tax year for which a credit is claimed under this section.

(5) A credit is not allowed to any person for any tax year during which the headquarters of the certified applicant are not located in the State. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

[PL 2021, c. 485, §2 (AMD); PL 2021, c. 485, §3 (AFF).]

**4. Reporting required.** A certified applicant, the commissioner and the assessor are required to make reports pursuant to this subsection.

A. On or before March 1st of each year, a certified applicant shall file a report with the commissioner for the tax year ending during the immediately preceding calendar year, referred to in this paragraph as "the report year," containing the following information:

- (1) The number of qualified employees of the certified applicant on the last day of the report year; and
- (2) The incremental amount of qualified investment made in the report year.

The commissioner may prescribe forms for the annual report described in this paragraph. The commissioner shall provide copies of the report to the assessor and to the joint standing committee of the Legislature having jurisdiction over taxation matters at the time the report is received. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

B. By April 1st of each year, the commissioner shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters aggregate data on employment levels and qualified investment amounts of certified applicants for each year that a certified applicant claimed a credit under this section. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

C. By December 31st of each year, beginning in 2025, the assessor shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the revenue loss during the report year as a result of this section for each taxpayer claiming the credit and, if necessary, shall include updated revenue loss amounts for any previous tax year. For purposes of this paragraph, "revenue loss" means the credit claimed by the taxpayer and allowed pursuant to this section, consisting of the amount of the credit used to reduce the tax liability of the taxpayer and the amount of the credit refunded to the taxpayer, stated separately. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

Notwithstanding any provision of law to the contrary, the reports provided under this subsection are public records as defined in Title 1, section 402, subsection 3.

[PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

**5. Rules; fees.** The commissioner and the assessor may jointly adopt rules to implement this section, including, but not limited to, rules for determining and certifying eligibility. The commissioner may also by rule establish fees to offset the costs of administering this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. Any fees collected pursuant to this subsection must be deposited into a special revenue account administered by the commissioner, and those fees may be used only to defray the actual costs of administering the credit under this section.

[PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

**6. Evaluation; specific public policy objectives; performance measures.** The credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. In developing evaluation parameters to perform the review, the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. That the specific public policy objectives of the credit provided under this section are to provide incentives for the revitalization of paper manufacturing facilities in counties with high unemployment and to create or retain high-quality jobs in the State by encouraging paper manufacturers to modernize their paper manufacturing equipment to better compete in the marketplace; and [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

B. Performance measures, including, but not limited to:

(1) The number of qualified employees added or retained during the period being reviewed and how employment during that period compares to the minimum employment requirements established in subsection 3, paragraph B, subparagraph (1);

(2) The amount of qualified investment made by certified applicants during the period being reviewed and how those investments compare to the minimum level of investment required in subsection 1, paragraph I;

(3) The increase in the vitality and competitiveness of the State's paper industry in the marketplace;

(4) The change in the number of paper manufacturers and machinery used for the production of paper products located in the State and the number of modernization projects undertaken at those paper manufacturing facilities during the period being reviewed; and

(5) Measures of fiscal impact and overall economic impact to the State and to the regions in which certified applicants are located. [PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

[PL 2021, c. 482, §3 (NEW); PL 2021, c. 485, §3 (AFF).]

**REVISOR'S NOTE:** §5219-YY. Access to justice credit (As enacted by PL 2021, c. 473, §2 is REALLOCATED TO TITLE 36, SECTION 5219-ZZ)

#### SECTION HISTORY

PL 2021, c. 482, §3 (NEW). PL 2021, c. 485, §§1, 2 (AMD). PL 2021, c. 485, §3 (AFF).

#### §5219-ZZ. Access to justice credit

#### (REALLOCATED FROM TITLE 36, SECTION 5219-YY)

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Court" means the Supreme Judicial Court or its designee. [PL 2021, c. 473, §2 (NEW); RR 2021, c. 1, Pt. A, §48 (RAL).]

B. "Eligible attorney" means a person eligible to practice law in the State under Title 4, chapter 17 who, after January 1, 2022:

(1) Agrees to practice law in a private practice setting in an underserved area for at least 5 years by joining an existing legal practice, establishing a new legal practice or purchasing an existing legal practice;

(2) Is rostered by the Maine Commission on Public Defense Services to accept court appointments to represent clients in an underserved area;

- (3) Agrees to perform pro bono legal services in an underserved area; and
- (4) Is certified by the court under subsection 3 to be eligible for the credit under this section. [PL 2023, c. 558, §12 (AMD).]

C. "Underserved area" means an area in the State that is determined by the court to be an area where there is insufficient access to legal services. When identifying underserved areas, the court shall take into consideration the ratio of the number of attorneys to the population. [PL 2021, c. 473, §2 (NEW); RR 2021, c. 1, Pt. A, §48 (RAL).]  
[PL 2023, c. 558, §12 (AMD).]

**2. Credit.** For tax years beginning on or after January 1, 2022, an eligible attorney is allowed a credit for each taxable year, not to exceed \$6,000, against the taxes due under this Part. The credit may be claimed in the first year that the eligible attorney meets the conditions of eligibility for at least 6 months and in each of the 4 subsequent years.  
[PL 2021, c. 473, §2 (NEW); RR 2021, c. 1, Pt. A, §48 (RAL).]

**3. Eligibility limitation; certification.** The court may certify up to 5 eligible attorneys in each year from 2022 through 2027. Additional attorneys may not be certified after 2027. The court shall annually, at year-end, verify that certified attorneys continue to be eligible for the credit under this section and shall decertify any attorney who ceases to meet the conditions of eligibility. The court shall notify the bureau whenever an attorney is certified or decertified. A decertified attorney ceases to be eligible for the credit under this section beginning with the tax year during which the attorney is decertified.  
[PL 2021, c. 473, §2 (NEW); RR 2021, c. 1, Pt. A, §48 (RAL).]

**4. Rules.** The court shall adopt rules to implement this section.  
[PL 2021, c. 473, §2 (NEW); RR 2021, c. 1, Pt. A, §48 (RAL).]

**5. Report; review.** By February 15, 2027, the court shall submit to the joint standing committee of the Legislature having jurisdiction over taxation matters a report that identifies the number of eligible attorneys claiming the credit under this section each year in which the credit is available and identifies the underserved areas where those attorneys practice. The committee shall review the report and determine the effectiveness of the credit in expanding legal services to underserved areas. The committee may submit legislation to the First Regular Session of the 133rd Legislature related to the report.  
[PL 2021, c. 473, §2 (NEW); RR 2021, c. 1, Pt. A, §48 (RAL).]

## SECTION HISTORY

PL 2021, c. 473, §2 (NEW). RR 2021, c. 1, Pt. A, §48 (RAL). PL 2023, c. 558, §12 (AMD).

### §5219-AAA. Dirigo business incentives program

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Affiliated business" means a member of a group of 2 or more businesses in which more than 50% of the voting stock of each member corporation or more than 50% of the ownership interest in a business other than a corporation is directly or indirectly owned by a common owner, either corporate or noncorporate. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- B. "Catastrophic event" means a fire, flood, hurricane, windstorm, earthquake or other similar event or a declared state disaster or emergency within the meaning of Title 10, section 9902, subsection 1 that is not within the control of a business to prevent. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- C. "Commissioner" means the Commissioner of Economic and Community Development. [PL 2023, c. 412, Pt. J, §13 (NEW).]

- D. "Department" means the Department of Economic and Community Development. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- E. "Eligible business property" means business property placed in service in this State in the tax year and used exclusively for a qualified business activity described in a letter of certification issued under subsection 3. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- F. "Eligible capital investment" means the total of business expenditures incurred by a taxpayer after receiving a letter of certification under subsection 3 that exceed \$50,000 to purchase eligible business property that was placed in service during the tax year. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- G. "Eligible sector" means one of the following industries only:
- (1) Agriculture, forestry and fishing;
  - (2) Manufacturing;
  - (3) Long-distance freight transportation;
  - (4) Software publishing, data processing and computer design services; or
  - (5) Engineering, architecture and scientific research and development services. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- H. "Facility" means one or more buildings and includes the real and personal property located in those buildings. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- I. "Layoff" means a reduction in workforce at a qualified business with 20 or more persons employed during any one of the preceding 4 quarters that results in an employment loss for at least 2 consecutive months within the same tax year of at least 20% of the qualified business's employees in this State. "Layoff" does not mean a reduction in workforce due to a catastrophic event or due to a restriction on the weight or passage of any vehicle over any way by the Department of Transportation pursuant to Title 29-A, section 2395. [PL 2025, c. 372, §1 (AMD).]
- J. "Placed in service" means the date the property is placed in service for purposes of depreciation under Section 167 or 168 of the Code or would be eligible for depreciation if the property had not been expensed under Section 179 of the Code. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- K. "Primarily" means more than 50% of the time and, with respect to a building or other structure, more than 50% of the usable space. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- L. "Program" means the Dirigo business incentives program created under subsection 2. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- M. "Qualified business" means any for-profit business in this State engaged in an eligible sector that has received a letter of certification as a qualified business pursuant to subsection 3. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- N. "Qualified business activity" means a business activity carried on primarily in an eligible sector. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- O. "Qualified employee" means an employee who is employed in this State by a qualified business and works primarily in a qualified business activity in this State. [PL 2023, c. 412, Pt. J, §13 (NEW).]
- P. "Qualified employee training program" means a qualified business's training activities for a qualified business activity described in a letter of certification issued under subsection 3 for a minimum of 3 qualified employees that provide a minimum of 20 total training hours for each qualified employee and are:

- (1) An apprenticeship program registered under the Maine Apprenticeship Program pursuant to Title 26, chapter 37;
- (2) An on-the-job training contract pursuant to Title 26, section 2172;
- (3) A training provided by or approved for funding from the Maine Community College System; or
- (4) Education or training provided by the University of Maine System or other accredited university or college in this State.

"Qualified employee training program" includes only training hours during which the qualified business pays a participating qualified employee the employee's regular hourly rate or training hours for which the qualified business pays more than \$2,000 per participant. [PL 2023, c. 412, Pt. J, §13 (NEW).]

[PL 2025, c. 372, §1 (AMD).]

**2. Program.** The commissioner shall create the Dirigo business incentives program. [PL 2023, c. 412, Pt. J, §13 (NEW).]

**3. Certification of qualified business.** A business may apply to the commissioner for certification as a qualified business for purposes of the program. Upon review and determination by the commissioner that a business is a qualified business, the commissioner shall issue a letter of certification to the business that includes a description of the qualified business activity for which the letter is being issued. A letter of certification for a qualified business activity is valid for 5 years for purposes of this section. A letter of certification may describe qualified business activities in multiple locations and multiple eligible business sectors. The commissioner may issue more than one letter of certification to a qualified business. A business may not be a qualified business if the business is:

A. A public utility as defined by Title 35-A, section 102, subsection 13; [PL 2023, c. 412, Pt. J, §13 (NEW).]

B. A business certified as a qualified Pine Tree Development Zone business as provided by Title 30-A, section 5250-O; [PL 2023, c. 412, Pt. J, §13 (NEW).]

C. A business with a certificate of approval for the Maine Employment Tax Increment Financing Program as provided by Title 36, section 6755; [PL 2023, c. 412, Pt. J, §13 (NEW).]

D. A business with a certificate of approval for one of the tax credits allowed under section 5219-RR or 5219-YY; or [PL 2023, c. 412, Pt. J, §13 (NEW).]

E. A business that has undergone a layoff within the past 2 tax years. [PL 2023, c. 412, Pt. J, §13 (NEW).]

[PL 2023, c. 412, Pt. J, §13 (NEW).]

**4. Credit allowed.** For tax years beginning on or after January 1, 2025, a taxpayer who is a qualified business is allowed a credit as provided in this section. Subject to subsections 5 and 6, the credit allowed is equal to the total of the following:

A. Ten percent of the eligible capital investment placed in service outside of Cumberland, Sagadahoc and York counties; [PL 2023, c. 412, Pt. J, §13 (NEW).]

B. Five percent of the eligible capital investment placed in service in Cumberland, Sagadahoc and York counties; and [PL 2023, c. 412, Pt. J, §13 (NEW).]

C. Two thousand dollars for each qualified employee engaged in a qualified employee training program provided by the business completed in the tax year. [PL 2023, c. 412, Pt. J, §13 (NEW).]

[PL 2023, c. 412, Pt. J, §13 (NEW).]

**5. Credit refundable.** The credit allowed under this section is refundable up to \$500,000 per tax year, with the following exceptions.

A. In the case of a taxpayer that is a partner in a partnership or a shareholder in an S corporation, the credit under this section is refundable up to an amount equal to \$500,000 multiplied by the pro rata share of the partner or shareholder determined in accordance with section 5219-G, subsection 1. [PL 2023, c. 412, Pt. J, §13 (NEW).]

B. In the case of a taxpayer that is a beneficiary of an estate or trust that is a partner in a partnership or shareholder in an S corporation, the credit under this section is refundable up to an amount equal to the amount determined in accordance with paragraph A for the estate or trust multiplied by each beneficiary's pro rata share of tax credits determined in accordance with section 5219-G, subsection 2. [PL 2023, c. 412, Pt. J, §13 (NEW).]

C. In the case of a taxpayer that is a partner in a partnership or a shareholder in an S corporation that is an affiliated business, the credit under this section is refundable up to an amount equal to \$500,000 multiplied by the ratio determined in accordance with paragraph A, the result of which is multiplied by a ratio, the numerator of which is the eligible capital investment of the affiliated business during the tax year plus \$2,000 for each qualified employee of the affiliated business engaged in a qualified employee training program completed during the tax year and the denominator of which is the total eligible capital investment of all members of the affiliated business group during the tax year plus \$2,000 for each qualified employee of all members of the affiliated business group engaged in a qualified employee training program completed during the tax year. [PL 2023, c. 412, Pt. J, §13 (NEW).]

D. In the case of corporations that are members of an affiliated business group engaged in a unitary business, the credit under this section is refundable up to \$500,000 for the entire group. The credit limit of \$500,000 must be apportioned among the taxable corporations in the affiliated business group in the same proportion that the tax liability of each taxable corporation in the affiliated business group bears to the total tax liability of all the taxable corporations in the affiliated business group. [PL 2023, c. 412, Pt. J, §13 (NEW).]

[PL 2023, c. 412, Pt. J, §13 (NEW).]

**6. Limitation; carry-over.** A taxpayer entitled to a credit under this section for any tax year may carry over any unused portion of the credit determined in accordance with subsection 4, as reduced from year to year, and apply it to the tax liability for any one or more of the next succeeding 4 tax years. Carry-over amounts may be applied to tax years after the expiration of a taxpayer's letter of certification issued pursuant to subsection 3. The credit allowed pursuant to this section, including carry-overs, may not exceed \$2,000,000 for any one tax year, with the following exceptions.

A. In the case of a taxpayer that is a partner in a partnership or a shareholder in an S corporation, the credit under this section may not exceed \$2,000,000 multiplied by the pro rata share of the partner or shareholder determined in accordance with section 5219-G, subsection 1. [PL 2023, c. 412, Pt. J, §13 (NEW).]

B. In the case of a taxpayer that is a beneficiary of an estate or trust that is a partner in a partnership or shareholder in an S corporation, the credit under this section may not exceed \$2,000,000 multiplied by the ratio determined in accordance with paragraph A, the result of which is multiplied by each beneficiary's pro rata share of tax credits determined in accordance with section 5219-G, subsection 2. [PL 2023, c. 412, Pt. J, §13 (NEW).]

C. In the case of a taxpayer that is a partner in a partnership or a shareholder in an S corporation that is an affiliated business, the credit under this section may not exceed \$2,000,000 multiplied by the ratio determined in accordance with paragraph A, the result of which is multiplied by a ratio, the numerator of which is the eligible capital investment of the affiliated business during the tax year plus \$2,000 for each qualified employee of the affiliated business engaged in a qualified

employee training program completed during the tax year and the denominator of which is the total eligible capital investment of all members of the affiliated business group during the tax year plus \$2,000 for each qualified employee of all members of the affiliated business group engaged in a qualified employee training program completed during the tax year. [PL 2023, c. 412, Pt. J, §13 (NEW).]

D. In the case of corporations that are members of an affiliated business group engaged in a unitary business, the credit under this section may not exceed \$2,000,000 for the entire group. The credit limit of \$2,000,000 must be apportioned among the taxable corporations in the affiliated business group in the same proportion that the tax liability of each taxable corporation in the affiliated business group bears to the total tax liability of all the taxable corporations in the affiliated business group. [PL 2023, c. 412, Pt. J, §13 (NEW).]

[PL 2023, c. 412, Pt. J, §13 (NEW).]

**7. Disallowance.** The credit allowed under this section must be recaptured and unused carry-over amounts under this section must be disallowed if the eligible business property forming the basis of the credit under subsection 4 is not used in the State for the entire 5-year period following the date it is placed in service. Unused carry-over amounts allowed under this section must be disallowed if the taxpayer undergoes a layoff. The amount recaptured or disallowed is equal to the credit amount allowed based on subsection 4 multiplied by a fraction, the numerator of which is the number of years remaining in the 5-year period, rounded up to the nearest whole number, and the denominator of which is 5. The amount recaptured must be added to the tax imposed on the taxpayer under this Part for the tax year during which the property is first removed from service in the State. Unused carry-over amounts are not required to be disallowed and the credit is not required to be recaptured for eligible business property temporarily removed from service for maintenance or repair or as a result of a catastrophic event.

[PL 2023, c. 412, Pt. J, §13 (NEW).]

**8. Eligible business property.** To qualify as eligible business property, a property must be placed in service in the State and must be subject to an allowance for depreciation under the Code during the tax year or would be subject to an allowance for depreciation under the Code if the property had not been expensed under Section 179 of the Code.

A property does not qualify as eligible business property if that property is:

A. Property with a depreciable useful life of less than 5 years; [PL 2023, c. 412, Pt. J, §13 (NEW).]

B. Property purchased or transferred from an affiliated business; [PL 2023, c. 412, Pt. J, §13 (NEW).]

C. Property located at a retail sales facility and used primarily in a retail sales activity. For purposes of this paragraph, the following terms have the following meanings.

(1) "Retail sales activity" means an activity primarily associated with the selection and retail purchase of goods or rental of tangible personal property. "Retail sales activity" does not include production as defined in section 1752, subsection 9-B.

(2) "Retail sales facility" means a structure used to serve customers who are physically present at the facility for the purpose of selection and retail purchase of goods or rental of tangible personal property; [PL 2023, c. 412, Pt. J, §13 (NEW).]

D. A vehicle on which a tax has been imposed under chapter 111 or a watercraft on which a tax has been imposed under chapter 112; [PL 2023, c. 412, Pt. J, §13 (NEW).]

E. Qualified rehabilitation property used to calculate the credit for rehabilitation of historic properties under section 5219-BB; or [PL 2023, c. 412, Pt. J, §13 (NEW).]

F. Real property placed in service in the State before the tax year for which a credit is sought. [PL 2023, c. 412, Pt. J, §13 (NEW).]  
[PL 2023, c. 412, Pt. J, §13 (NEW).]

**9. Rules.** The assessor and the commissioner may adopt joint rules necessary to implement this section. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.  
[PL 2023, c. 412, Pt. J, §13 (NEW).]

**10. Annual report to department and Legislature.** On or before December 31st annually, beginning in 2026, the assessor shall report to the department the following information for each qualified business that received a credit pursuant to this section for the tax year ending during the immediately preceding calendar year:

A. The name, municipality in this State in which the business's primary place of business is located and business type, including the parent company, if applicable, of the qualified business; [PL 2023, c. 631, §2 (AMD).]

B. The number of qualified employees engaged in a qualified employee training program completed during the tax year; [PL 2023, c. 412, Pt. J, §13 (NEW).]

C. The value of eligible capital investment expenditures in the county in which the property was placed into service; [PL 2023, c. 412, Pt. J, §13 (NEW).]

D. The credit amount received under subsection 4, paragraph A, B or C for the tax year; and [PL 2023, c. 412, Pt. J, §13 (NEW).]

E. The eligible sector of the business's qualified business activity. [PL 2023, c. 412, Pt. J, §13 (NEW).]

On or before March 1st annually, beginning in 2027, the department shall report to the joint standing committees of the Legislature having jurisdiction over taxation and economic development matters information on the program, including the information reported by the assessor under this subsection.  
[PL 2023, c. 631, §2 (AMD).]

**11. Evaluation; specific public policy objective; performance measures.** The credit provided under this section is subject to legislative review in accordance with Title 3, section 999. In developing evaluation parameters to perform the review, the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. That the specific public policy objective of the credit provided under this section is to improve the productivity of workers and businesses in the State by encouraging businesses to invest in capital and worker training; and [PL 2023, c. 412, Pt. J, §13 (NEW).]

B. Performance measures, including, but not limited to:

(1) The amount of eligible capital investment;

(2) The number of workers trained;

(3) The amount of credit used to offset tax liability;

(4) The amount of credit refunded pursuant to subsection 5; and

(5) The economic productivity of credit recipients. [PL 2023, c. 412, Pt. J, §13 (NEW).]

[PL 2023, c. 412, Pt. J, §13 (NEW).]

#### SECTION HISTORY

PL 2023, c. 412, Pt. J, §13 (NEW). PL 2023, c. 631, §2 (AMD). PL 2025, c. 372, §1 (AMD).

**§5219-BBB. Credit for investment in qualified professional baseball facilities in the State**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Certified applicant" means a qualified applicant that has received a certificate of approval from the commissioner pursuant to subsection 2. [PL 2023, c. 667, §3 (NEW).]

B. "Commissioner" means the Commissioner of Economic and Community Development. [PL 2023, c. 667, §3 (NEW).]

C. "Full-time" means an average of at least 36 hours weekly during the period of measurement. [PL 2023, c. 667, §3 (NEW).]

D. "Qualified applicant" means an applicant that, at the time the application for a certificate of approval is submitted pursuant to subsection 2, operates a qualified professional baseball facility. [PL 2023, c. 667, §3 (NEW).]

E. "Qualified investment" means an expenditure made directly by a qualified applicant between October 1, 2023 and November 30, 2026 of at least \$1,000,000 to design, permit, construct, modify, equip or expand a qualified professional baseball facility. The expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made. [PL 2023, c. 667, §3 (NEW).]

F. "Qualified professional baseball facility" means real and personal property in the State, including one or more structures and the equipment, machinery, fixtures and personal property located in, on, over, under and adjacent to those structures, used for the operation of a minor league baseball team that is recognized by a national organization of major or minor league baseball teams. [PL 2023, c. 667, §3 (NEW).]

[PL 2023, c. 667, §3 (NEW).]

**2. Procedures for application; certificate of approval.** This subsection governs the procedures for applying for and obtaining a certificate of approval.

A. An applicant may apply to the commissioner for a certificate of approval. An applicant shall submit to the commissioner information demonstrating that the applicant is a qualified applicant. Such information must include an agreement by the applicant that all employees and subcontractors of the applicant are provided fair minimum wages and benefits at a rate specified in Title 26, section 1306 or the minimum wage required by the municipality, whichever is greater. [PL 2023, c. 667, §3 (NEW).]

B. Within 30 days of receipt of an application for a certificate of approval submitted pursuant to paragraph A, the commissioner shall determine whether the applicant is a qualified applicant and shall issue either a certificate of approval as a certified applicant or a written denial indicating why the applicant is not qualified. A certificate of approval issued by the commissioner must describe the qualified investment and specify the total amount of qualified investment approved under the certificate of approval. [PL 2023, c. 667, §3 (NEW).]

C. A certified applicant shall apply to the commissioner for a certificate of completion. If the commissioner determines that the certified applicant has made a qualified investment, the commissioner shall issue a certificate of completion to the certified applicant as soon as is practicable. The certificate of completion must state the amount of qualified investment made by the certified applicant. A certified applicant and other entities, whether or not incorporated, that are part of a single business enterprise may receive only one certificate of completion pursuant to this subsection. [PL 2023, c. 667, §3 (NEW).]

D. If a certified applicant intends to transfer the qualified professional baseball facility prior to completion of the qualified investment, the certified applicant must obtain approval from the commissioner to transfer the certificate of approval or, if the certified applicant has obtained a certificate of completion, that certificate of completion to the transferee. The commissioner shall approve the transfer of the certificate of approval or the certificate of completion only if at least one of the following conditions is satisfied:

- (1) The transferee is a member of the certified applicant's unitary affiliated group at the time of the transfer; or
- (2) The commissioner finds that the transferee will, and has the capacity to, maintain operations of the qualified professional baseball facility in a manner that meets the minimum qualifications for continued eligibility for the tax credit under this section after the transfer occurs.

If the commissioner approves the transfer of the certificate of approval or the certificate of completion, the transferee, from the date of the transfer, must be treated as the certified applicant and as eligible to claim any remaining tax credit under the certificate of approval or the certificate of completion that has not been previously claimed by the original certified applicant as long as the transferee meets the same eligibility requirements and conditions for the tax credit as applied to the original certified applicant. [PL 2023, c. 667, §3 (NEW).]

[PL 2023, c. 667, §3 (NEW).]

**3. Refundable tax credit allowed.** Beginning with the tax year during which a certificate of completion is issued under subsection 2, paragraph C but not before a tax year beginning in 2025, and for each of the following 14 tax years, a certified applicant is allowed a credit against the tax otherwise due under this Part for the taxable year in an amount equal to 1.33% of the certified applicant's qualified investment. A credit under this section for a certified applicant may not exceed \$133,000 per year and \$1,995,000 in cumulative total. The credit allowed under this section is refundable.

[PL 2023, c. 667, §3 (NEW).]

**4. Reporting required.** A certified applicant, the commissioner and the assessor are required to make reports pursuant to this subsection.

A. On or before March 1st of each year, beginning in 2025, a certified applicant shall file a report with the commissioner for the tax year ending during the immediately preceding calendar year, referred to in this subsection as "the report year," containing the following information:

- (1) The incremental amount of qualified investment made by the certified applicant in the report year;
- (2) The number of full-time employees based in this State of the certified applicant on the last day of the report year;
- (3) The total number of any additional full-time employees in the State added by the certified applicant since the date a certificate of approval was issued pursuant to subsection 2, paragraph B and since the last annual report;
- (4) The average and median wages of all full-time employees of the certified applicant; and
- (5) The percentage and number of full-time employees of the certified applicant who have access to retirement benefits and health benefits.

The commissioner may prescribe forms for the annual report described in this paragraph. The commissioner shall provide copies of the report to the assessor and to the joint standing committee of the Legislature having jurisdiction over taxation matters at the time the report is received. [PL 2023, c. 667, §3 (NEW).]

B. On or before April 1st of each year, beginning in 2025, the commissioner shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters aggregate data on qualified investment amounts of each certified applicant for each year that the certified applicant claimed a tax credit under this section. [PL 2023, c. 667, §3 (NEW).]

C. On or before December 31st of each year, beginning in 2025, the assessor shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters the revenue loss during the report year as a result of this section for each taxpayer claiming the tax credit and, if necessary, shall include updated revenue loss amounts for any previous tax year. For purposes of this paragraph, "revenue loss" means the tax credit claimed by the taxpayer and allowed pursuant to this section, consisting of the amount of the credit used to reduce the tax liability of the taxpayer and the amount of the credit refunded to the taxpayer, stated separately. [PL 2023, c. 667, §3 (NEW).]

Notwithstanding any provision of law to the contrary, the reports provided under this subsection are public records as defined in Title 1, section 402, subsection 3.  
[PL 2023, c. 667, §3 (NEW).]

**5. Recapture.** If the qualified investment forming the basis of the credit is not used as a qualified professional baseball facility by the certified applicant or a transferee approved pursuant to subsection 2, paragraph D, the following provisions apply.

A. During the first 60 months following the receipt of the certificate of completion, if the certified applicant or transferee fails to use the qualified investment forming the basis of the credit as a qualified professional baseball facility for the entire 60-month period, the credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer. The credit must be recaptured by adding to the tax imposed on the certified applicant or transferee for the taxable year in which the qualified investment is no longer used as a qualified professional baseball facility by the certified applicant or transferee an amount equal to the total amount of credit authorized minus the amount of credit not yet taken. [PL 2023, c. 667, §3 (NEW).]

B. If the qualified investment forming the basis of the credit is not used as a qualified professional baseball facility by the certified applicant or a transferee following the first 60 months following the receipt of the certificate of completion, the certified applicant or transferee is not eligible for the credit for that tax year and the certified applicant or transferee is not eligible for the credit for any tax year thereafter that the certified applicant or transferee fails to use the qualified investment as a qualified professional baseball facility. [PL 2023, c. 667, §3 (NEW).]

[PL 2023, c. 667, §3 (NEW).]

**6. Rules.** The commissioner and the assessor may jointly adopt rules to implement this section, including, but not limited to, rules for determining and certifying eligibility. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2023, c. 667, §3 (NEW).]

**7. Evaluation.** The tax credit provided under this section is subject to ongoing legislative review in accordance with Title 3, chapter 37. In developing evaluation parameters to perform the review, the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. The amount of qualified investment made by each certified applicant during the period being reviewed and measures of fiscal impact; [PL 2023, c. 667, §3 (NEW).]

B. Employment measures taken by each certified applicant, including:

- (1) The number of any additional full-time employees in the State added by each certified applicant since that applicant was issued a certificate of approval pursuant to subsection 2, paragraph B;
- (2) The average and median wages paid to full-time employees of each certified applicant; and
- (3) The percentage and number of full-time employees of each certified applicant for whom health benefits and retirement benefits are available; and [PL 2023, c. 667, §3 (NEW).]

C. The overall economic impact to the State and to the regions in which certified applicants are located. [PL 2023, c. 667, §3 (NEW).]

[PL 2023, c. 667, §3 (NEW).]

#### SECTION HISTORY

PL 2023, c. 667, §3 (NEW).

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