

**§2529. Pine Tree Development Zone tax credit**

**1. Credit allowed.** 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 chapter upon premiums that are attributable to a qualified business activity as defined in Title 30-A, section 5250-I, subsection 16 for each of the first 5 tax years beginning with the tax year in which the taxpayer commences its qualified business activity; and [PL 2005, c. 351, §10 (RPR); PL 2005, c. 351, §26 (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 chapter upon premiums that are attributable to a qualified business activity as defined in Title 30-A, section 5250-I, subsection 16 for each of the 5 tax years following the time period in paragraph A. [PL 2009, c. 627, §8 (AMD); PL 2009, c. 627, §12 (AFF).]

[PL 2009, c. 627, §8 (AMD); PL 2009, c. 627, §12 (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 the 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 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, §11 (RPR); PL 2005, c. 351, §26 (AFF).]

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

[PL 2023, c. 412, Pt. J, §10 (AMD).]

**4. 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, §12 (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, §12 (NEW).]

[PL 2005, c. 351, §12 (NEW).]

**SECTION HISTORY**

PL 2003, c. 451, §NNN4 (NEW). PL 2003, c. 451, §NNN8 (AFF). PL 2003, c. 688, §D4 (AMD). PL 2005, c. 351, §§10-12 (AMD). PL 2005, c. 351, §26 (AFF). PL 2009, c. 627, §§8, 9 (AMD). PL 2009, c. 627, §12 (AFF). PL 2017, c. 440, §11 (AMD). PL 2021, c. 398, Pt. III, §5 (AMD). PL 2023, c. 412, Pt. J, §10 (AMD).

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