MAINE STATE LEGISLATURE

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1	L,D. 1/44
2	Date: 3/21/2018 Majority (Filing No. S-395)
3	TAXATION
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5 .	STATE OF MAINE
6	SENATE
7	128TH LEGISLATURE
8	SECOND REGULAR SESSION
9 10 11	COMMITTEE AMENDMENT "A" to S.P. 643, L.D. 1744, Bill, "An Act To Create the Hire American Tax Credit for Businesses That Hire Residents of the United States"
12	Amend the bill by striking out the title and substituting the following:
13 14	'An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States'
15 16	Amend the bill by striking out everything after the enacting clause and inserting the following:
17	'Sec. 1. 36 MRSA §2729 is enacted to read:
18	<u>§2729. Credit</u>
19 20 21	1. Credit. An owner of commercial forest land subject to tax under this chapter is entitled to a credit equal to 100% of the taxes assessed under this chapter if the landowner meets the conditions specified under subsection 2.
22 23	2. Conditions of eligibility. To be eligible for a credit under this section, a landowner must:
24	A. Be based in the United States;
25 26 27 28 29	B. Demonstrate to the State Tax Assessor that all businesses, including forest road construction and trucking businesses, and contractors, including subcontractors, hired or retained by the landowner in the harvesting of timber on land subject to tax under this chapter are based in the United States and that the landowner has obtained from those businesses affidavits stating that at least 75% of the employees of those businesses are residents of the United States; and
31 32	C. Require that all businesses employed by the landowner in the harvesting of timber on land subject to tax under this chapter, including contractors and subcontractors,

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COMMITTEE AMENDMENT "A" to S.P. 643, L.D. 1744

1 2	State, including, but not limited to, payroll taxes, unemployment taxes, personal property taxes and sales taxes.
3 4 5	For the purposes of this subsection, "based in the United States" means that a business maintains a bona fide place of business in the United States from which business operations in the United States are managed.
6 7 8 9 10	3. Recapture. If the State Tax Assessor finds, after a credit under this section has been granted, that the landowner claiming the credit did not meet the conditions required under subsection 2, the State Tax Assessor shall rescind the credit and shall recapture the credit granted by issuing a supplemental assessment against the landowner in accordance with section 141, subsection 1.'
11	SUMMARY
12 13 14 15 16	This amendment provides a credit against the commercial forestry excise tax for landowners who are based in the United States and who employ and retain businesses or contractors that are based in the United States, that employ at least 75% United States residents and that are current in the payment of all state and local taxes. The amendment also requires recapture of the credit if a recipient is found to have been ineligible.
17	FISCAL NOTE REQUIRED

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128th MAINE LEGISLATURE

LD 1744

LR 2658(02)

An Act To Create the Hire American Tax Credit for Businesses That Hire Residents of the United States

Fiscal Note for Bill as Amended by Committee Amendment 'A' (S-395)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue decrease - General Fund

Fiscal Detail and Notes

This legislation provides a credit against the commercial forestry tax for eligible landowners. The credit could result in a loss of General Fund revenue if any landowners are shown to be eligible. It cannot be determined at this time how many landowners would be eligible for this credit.