

MAINE STATE LEGISLATURE

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Date: 6/15/19

TAXATION

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**STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "4" to S.P. 80, L.D. 268, Bill, "An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSa §2729 is enacted to read:

§2729. Credit

1. Purpose. It is the public policy of this State, as a market participant in commercial forestry, to make a credit available to those taxed under this chapter. The credit is an incentive to promote fair and just commercial forestry in the State, preserve numerous opportunities for jobs for people of the State and ensure the preservation of an improved economy in the State and for its people.

2. Credit. An owner of commercial forest land subject to tax under this chapter is entitled to an annual credit equal to 100% of the taxes assessed under this chapter if the landowner meets the conditions specified in subsection 3.

3. Conditions of eligibility. A landowner subject to tax under this chapter is eligible for a credit under this section if the landowner demonstrates 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 commercial forest land owned by the landowner are based in the United States and that the landowner has obtained from each business and contractor affidavits stating that:

A. At least 75% of the employees of the business or contractor are residents of the United States; and

B. The business or contractor is current in the payment of all taxes due the State or political subdivisions of the State, including, but not limited to, payroll taxes, unemployment taxes and personal property taxes. This paragraph may not be

COMMITTEE AMENDMENT

1 construed to require a business or contractor employed by the landowner in the
2 harvesting of timber to be assessed personal property taxes in order for the landowner
3 to be eligible for a credit under this section.

4 A landowner claiming a credit under this section shall send a copy of the affidavits
5 required under this subsection to the State Tax Assessor and to the Department of Labor.

6 **4. Recapture.** If the State Tax Assessor finds, after a credit under this section has
7 been granted, that the landowner claiming the credit did not meet the conditions required
8 under subsection 3 or that statements made in affidavits required under subsection 3 are
9 untrue, the State Tax Assessor shall rescind the credit and shall recapture the credit
10 granted by issuing a supplemental assessment against the landowner in accordance with
11 section 141, subsection 1.'

12 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
13 section number to read consecutively.

14 **SUMMARY**

15 This amendment requires a landowner seeking the credit against the commercial
16 forestry excise tax to obtain affidavits indicating that businesses or contractors retained
17 by the landowner are based in the United States, that at least 75% of their employees are
18 United States residents and that they are current in the payment of all state and local
19 taxes. It makes other technical changes to the bill.

20 **FISCAL NOTE REQUIRED**

21 **(See attached)**



129th MAINE LEGISLATURE

LD 268

LR 68(02)

**An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using
Businesses Based in the United States**

**Fiscal Note for Bill as Amended by Committee Amendment "A" (S-218)
Committee: Taxation
Fiscal Note Required: Yes**

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Revenue				
General Fund	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)

Fiscal Detail and Notes

The bill provides a credit against the commercial forestry excise tax and would result in an annual reduction in General Fund revenue of \$2,000,000 beginning in fiscal year 2019-20.