

MAINE STATE LEGISLATURE

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SMG
R. 101

Date: 3-10-20

(Filing No. H-731)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1213, L.D. 1698, Bill, "An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts"

Amend the amendment in section 1 in the first line (page 1, line 14 in amendment) by striking out the following: "HHH" and inserting the following: 'LLL'

Amend the amendment in section 1 in paragraph HHH in the first line (page 1, line 15 in amendment) by striking out the following: "HHH" and inserting the following: 'LLL'

Amend the amendment in section 1 in paragraph HHH in the 3rd line (page 1, line 17 in amendment) by striking out the following: "5219-VV" and inserting the following: '5219-XX'

Amend the amendment by inserting after paragraph HHH the following:

'Amend the bill in section 1 in subsection 5 in the last line (page 1, line 7 in L.D.) by striking out the following: "2020" and inserting the following: '2021'

Amend the bill in section 2 in the first line (page 1, line 8 in L.D.) by striking out the following: "5219-VV" and inserting the following: '5219-XX'

Amend the bill in section 2 in §5219-VV in the first line (page 1, line 9 in L.D.) by striking out the following: "5219-VV" and inserting the following: '5219-XX'

Amend the amendment by inserting after subparagraph (4) the following:

'Amend the bill in section 2 in §5219-VV by striking out subsections 2 and 3 (page 1, lines 33 to 36 and page 2, lines 1 to 20 in L.D.) and inserting the following:

2. Credit allowed. A taxpayer engaged in the production of renewable chemicals in the State 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 as long as the taxpayer demonstrates to the Department of Economic and Community Development that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals meet the eligibility conditions specified in the Employment Security Law.

HOUSE AMENDMENT

1 If the taxpayer does not contract directly with those hired or retained to harvest the
2 renewable biomass, the taxpayer may obtain the necessary documentation under this
3 subsection from the landowner or other entity that contracts directly.'

4 Amend the bill in section 2 in §5219-VV in subsection 4 in the first line (page 2, line
5 21 in L.D.) by striking out the following: "either subsection 2 or 3" and inserting the
6 following: 'subsection 2'

7 Amend the bill in section 2 in §5219-VV in the last indented paragraph (page 2, line
8 32 in L.D.) by striking out the following: "2020" and inserting the following: '2021'

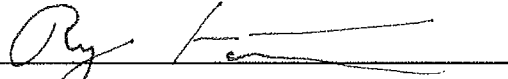
9 Amend the bill in section 2 in §5219-VV by renumbering the subsections to read
10 consecutively.

11 Amend the bill in section 3 in the 3rd line (page 2, line 35 in L.D.) by striking out the
12 following: "5219-VV" and inserting the following: '5219-XX'

13 **SUMMARY**

14 This amendment changes the credit allowed under the bill to remove the variable
15 credit of between 7¢ and 12¢ per pound of renewable chemical, which is based on the
16 certification level of the contractors hired or retained to harvest the renewable biomass
17 and the residency of those contractors' employees, to a flat credit of 8¢ per pound of
18 renewable chemical as long as the taxpayer demonstrates to the Department of Economic
19 and Community Development that at least 75% of the employees of the contractors hired
20 or retained to harvest renewable biomass used in the production of the renewable
21 chemicals meet the eligibility conditions specified in the Employment Security Law, in
22 the Maine Revised Statutes, Title 26, chapter 13. This amendment also delays by one
23 year the application date of the tax credit.

24 This amendment also corrects numbering conflicts in the bill and Committee
25 Amendment "A" created when a chaptered law enacted provisions with the same
26 paragraph letter or section number.

27 **SPONSORED BY:** 
28 **(Representative FECTEAU, R.)**

29 **TOWN: Biddeford**

FISCAL NOTE REQUIRED
(See attached)



129th MAINE LEGISLATURE

LD 1698

LR 1741(07)

An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts

Fiscal Note for House Amendment "A" to Committee Amendment "A"

Sponsor: Rep. Fecteau of Biddeford

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	\$0	\$0	(\$45,125)	(\$54,031)
Revenue				
General Fund	\$0	\$0	\$45,125	\$54,031
Other Special Revenue Funds	\$0	\$0	\$2,375	\$2,844

Fiscal Detail and Notes

The bill as currently engrossed reduced General Fund revenue by \$45,125 in fiscal year 2021-22 and \$87,875 in fiscal year 2022-23 and reduced Other Special Revenue Funds revenue by \$2,375 in fiscal year 2021-22 and \$4,625 in fiscal year 2022-23. This amendment delays the application date one year from on or after January 1, 2020 to on or after January 1, 2021. This completely restores the revenue loss in fiscal year 2021-22. The amendment also makes the eligibility criteria for entities to qualify for the tax credit more restrictive by increasing the percentage of employees of entities hired to harvest renewable biomass that must meet the eligibility conditions for that entity to receive the credit from 50% to 75%. Assuming that 25% of the entities who would have met the lower 50% criteria will not meet the higher 75% criteria and will not be eligible for the credit, the incremental impact compared to the engrossed bill is to increase (reduce the loss) General Fund revenue by \$54,031 in fiscal year 2022-23 and increase Local Government Fund revenue by \$2,844 in fiscal year 2022-23.