

MAINE STATE LEGISLATURE

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L.D. 756

Date: 6/11/25

(Filing No. S-354)

MAJORITY TAXATION

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STATE OF MAINE SENATE 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 271, L.D. 756, "An Act Creating and Sustaining Jobs Through the Development of Cooperatives and Employee-owned Businesses by Providing Tax Deductions for Certain Qualified Business Activities"

Amend the bill by striking out all of sections 1 and 2.

Amend the bill in section 3 in paragraph AAA in subparagraph (5) in the first line (page 2, line 7 in L.D.) by striking out the following: "A producer" and inserting the following: 'An agricultural'

Amend the bill in section 4 in paragraph BBB in subparagraph (2) in division (a) in subdivision (v) in the first line (page 2, line 39 in L.D.) by striking out the following: "A producer" and inserting the following: 'An agricultural'

Amend the bill in section 4 in paragraph BBB by inserting after division (c) the following:

'As used in this paragraph, "qualified business acquisition loan" means a loan extended by the ownership entity as an element of the transfer of its ownership interest pursuant to paragraph AAA.'

Amend the bill in section 5 in paragraph JJ in subparagraph (5) in the first line (page 3, line 19 in L.D.) by striking out the following: "A producer" and inserting the following: 'An agricultural'

Amend the bill in section 6 in paragraph KK in subparagraph (2) in division (a) in subdivision (v) in the first line (page 4, line 12 in L.D.) by striking out the following: "A producer" and inserting the following: 'An agricultural'

Amend the bill in section 6 in paragraph KK by inserting after division (c) the following:

'As used in this paragraph, "qualified business acquisition loan" means a loan extended by the ownership entity as an element of the transfer of its ownership interest pursuant to section 5122, subsection 2, paragraph AAA.'

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to S.P. 271, L.D. 756 (S.354)

1 Amend the bill by striking out all of sections 7 and 8.

2 Amend the bill in section 10 in subsection 16-B in paragraph A in subparagraph (5) in
3 the first line (page 5, line 23 in L.D.) by striking out the following: "A producer" and
4 inserting the following: 'An agricultural'

5 Amend the bill in section 10 in subsection 16-B by inserting after paragraph C the
6 following:

7 'As used in this paragraph, "qualified business acquisition loan" means a loan extended
8 by the ownership entity as an element of the transfer of its ownership interest pursuant
9 to section 5122, subsection 2, paragraph AAA.'

10 Amend the bill by inserting after section 11 the following:

11 '**Sec. 12. Appropriations and allocations.** The following appropriations and
12 allocations are made.

13 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
14 **Revenue Services, Bureau of 0002**

15 Initiative: Provides one-time funding for computer programming costs.

16 GENERAL FUND	2025-26	2026-27
17 All Other	\$104,760	\$0
18		
19 GENERAL FUND TOTAL	<u>\$104,760</u>	<u>\$0</u>

20

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

23 **SUMMARY**

24 The amendment eliminates the establishment of the Maine Employee Ownership
25 Center proposed in the bill. The amendment clarifies that the deduction to the seller for the
26 transfer of a business ownership interest to certain employee and consumer organizations
27 includes agricultural cooperatives. The amendment clarifies that the exemption for earned
28 interest from purchase money loans on the sale of a business ownership interest includes
29 agricultural cooperatives.

30 **FISCAL NOTE REQUIRED**

31 (See attached)

**132nd MAINE LEGISLATURE****LD 756****LR 1667(02)****An Act Creating and Sustaining Jobs Through the Development of Cooperatives and Employee-owned Businesses by Providing Tax Deductions for Certain Qualified Business Activities**

Fiscal Note for Bill as Amended by Committee Amendment "A" (S.354)
Committee: Taxation
Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$608,260	\$522,500	\$551,000	\$570,000
Appropriations/Allocations				
General Fund	\$104,760	\$0	\$0	\$0
Revenue				
General Fund	(\$503,500)	(\$522,500)	(\$551,000)	(\$570,000)
Other Special Revenue Funds	(\$26,500)	(\$27,500)	(\$29,000)	(\$30,000)

Fiscal Detail and Notes

This bill includes a revenue decrease to the General Fund of \$503,500 in fiscal year 2025-26 and \$522,500 in fiscal year 2026-27 by providing tax deductions for certain qualified business activities beginning on tax years on or after January 1, 2025. The bill also includes a revenue decrease to the Local Government Fund of \$26,500 in fiscal year 2025-26 and \$27,500 in fiscal year 2026-27.

The bill includes a one-time General Fund appropriation to the Bureau of Revenue Services within the Department of Administrative and Financial Services of \$104,760 in fiscal year 2025-26 to fund computer programming costs associated with the provisions of this bill.