

# MAINE STATE LEGISLATURE

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# MAJORITY

## TAXATION

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### STATE OF MAINE

### SENATE

### 132ND LEGISLATURE

### FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 506, L.D. 1217, "An Act Regarding the New Markets Tax Credit and the Maine New Markets Capital Investment Program"

Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 10 MRSA §1100-Z, sub-§3, ¶B-1 is enacted to read:

B-1. A qualified community development entity that is a Maine fund that seeks an allocation of tax credit authority shall submit an application to the authority on a form that the authority provides.

(1) In addition to the requirements specified in paragraph B, subparagraphs (1) and (4), the applicant shall include in the application evidence that the applicant is a qualified community development entity with its principal business operation in the State for at least 60 months.

(2) As used in this paragraph, "Maine fund" means a qualified community development entity as defined in Section 45D(c) of the United States Internal Revenue Code of 1986, as amended, that has its principal place of business in the State.

A Maine fund that meets the requirements of this paragraph is qualified as a community development entity.'

Amend the bill by striking out all of section 2.

Amend the bill in section 3 in paragraph F in the first line (page 1, line 36 in L.D.) by striking out the following: "6" and inserting the following: '12'

Amend the bill in section 3 in paragraph F in the 10th line (page 2, line 4 in L.D.) by striking out the following: "6" and inserting the following: '12'

Amend the bill in section 5 in subsection 6 by inserting at the end the following:

'The report must include for the report period the number of employees in the State, the payroll for those employees and the annual spending on goods and services in the State for each ultimate recipient of the qualified equity investment.'

- 1 Amend the bill by striking out all of section 7.
- 2 Amend the bill in section 10 in paragraph H in subparagraph (1) in the first 2 lines
- 3 (page 5, lines 4 and 5 in L.D.) by striking out the following: "subsection 8, paragraph A,
- 4 subparagraph (4)" and inserting the following: 'subsection 3, paragraph B-1'
- 5 Amend the bill in section 10 in paragraph H in subparagraph (2) in the first line (page
- 6 5, line 6 in L.D.) by striking out the following: "located in this State" and inserting the
- 7 following: 'a Maine fund'
- 8 Amend the bill by inserting after section 10 the following:
- 9 'Sec. 11. 36 MRSA §5219-HH, sub-§1, ¶I, as enacted by PL 2011, c. 548, §33
- 10 and affected by §35, is amended by amending subparagraph (1) to read:
- 11 (1) Has at least 85% of its cash purchase price used by the issuer to make qualified
- 12 low-income community investments in qualified active low-income community
- 13 businesses located in the State by the 2nd anniversary of the initial credit allowance
- 14 date for program 1 tax credit authority and the first anniversary of the initial credit
- 15 allowance date for program 2 tax credit authority;
- 16 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
- 17 number to read consecutively.

18 SUMMARY

19 This amendment changes the program participant qualifications and program  
20 investment deadlines for the Maine New Markets Capital Investment Program.

21 FISCAL NOTE REQUIRED  
22 (See attached)

**132nd MAINE LEGISLATURE****LD 1217****LR 1143(02)****An Act Regarding the New Markets Tax Credit and the Maine New Markets Capital Investment Program**

**Fiscal Note for Bill as Amended by Committee Amendment "A" (S-413)**  
**Committee: Taxation**  
**Fiscal Note Required: Yes**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$0	\$15,000,000
<b>Revenue</b>				
General Fund	\$0	\$0	\$0	(\$15,000,000)

**Fiscal Detail and Notes**

This bill modifies and expands the Maine New Markets Capital Investment Program by establishing a new tax credit authority allocated by the Finance Authority of Maine. The bill delays initial credit claims, but extends credit claims over a five-year period resulting in a fiscal impact of \$15,000,000 in fiscal year 2028-29. It is estimated this bill will result in a cumulative revenue decrease of \$97,500,000 over 8 years beginning in fiscal year 2028-29.

Any additional costs to the Finance Authority of Maine to implement the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.