

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1504

H.P. 988

House of Representatives, April 8, 2025

**An Act to Support Small Businesses by Providing a Refundable Tax
Credit to Certain Businesses to Offset Credit and Debit Card
Transaction Fees**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FARRIN of Jefferson.
Cosponsored by Senator RENY of Lincoln and
Representatives: CROCKETT of Portland, FLYNN of Albion, ROLLINS of Augusta,
SIMMONS of Waldoboro, STOVER of Boothbay, TERRY of Gorham.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §5219-CCC is enacted to read:

§5219-CCC. Credit card and debit card transaction fee tax credit

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Card issuer" means a person that issues a credit card or debit card or the agent of such a person with respect to such a card.

B. "Credit card" has the same meaning as in Title 9-A, section 1-301, subsection 16.

C. "Debit card" has the same meaning as in Title 10, section 1271, subsection 3.

D. "Eligible business" means a business located in this State that has gross sales of less than \$2,400,000 annually.

E. "Fee" means the transaction fee imposed by a card issuer on a business for the use of that card issuer's credit card or debit card.

2. Tax credit allowed. An eligible business that accepts credit cards or debit cards as payment for goods or services sold by that business is allowed a credit against the tax imposed by this Part to offset the fee imposed by the card issuer on the business. The amount of the tax credit may not exceed the lesser of the actual fees paid by the business and 2.5% of the sales tax remitted to the State by the business pursuant to chapter 219.

3. Credit refundable. The tax credit allowed under this section is refundable.

4. Record keeping. A business claiming a credit pursuant to subsection 2 is responsible for maintaining records of the fee paid by the business and the total sales made by that business annually.

5. Rules. The assessor may adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A to implement the provisions of this section.

SUMMARY

This bill creates a tax credit for businesses with less than \$2,400,000 in gross sales annually that accept credit cards or debit cards for payment and are charged a transaction fee by the issuer of that card. The amount of the tax credit is the amount of the fees the business paid or 2.5% of the sales taxes remitted by that business to the State, whichever is less. The tax credit is refundable.