

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

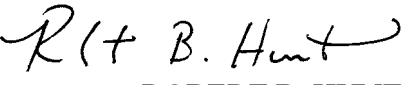
No. 1889

H.P. 1260

House of Representatives, May 5, 2025

An Act to Expand Tax Incentives for Certain Barn Renovations

Received by the Clerk of the House on May 1, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.


ROBERT B. HUNT
Clerk

Presented by Representative BLIER of Buxton.
Cosponsored by Representative: ARATA of New Gloucester.

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

2 **Sec. 1. 5 MRSA §13056, sub-§8**, as amended by PL 2021, c. 672, §2, is further
3 amended to read:

4 **8. Lead agency for business assistance in response to certain events.** Be the lead
5 agency for the State to provide information and business assistance to employers and
6 businesses as part of the State's response to an event that causes the Department of Labor
7 to carry out rapid-response activities as described in 29 United States Code, Sections 2801
8 to 2872 (2002); ~~and~~

9 **Sec. 2. 5 MRSA §13056, sub-§9, ¶C**, as enacted by PL 2021, c. 672, §3, is
10 amended to read:

11 C. Consider any other information as necessary to meet the goals pursuant to this
12 subsection; ~~and~~

13 **Sec. 3. 5 MRSA §13056, sub-§10** is enacted to read:

14 **10. Barn preservation incentive program.** Establish and implement a program for
15 the restoration of barns that allows persons engaged in that restoration to qualify for the tax
16 credit provided in Title 36, section 5219-CCC.

17 **Sec. 4. 36 MRSA §5219-CCC** is enacted to read:

18 **§5219-CCC. Barn preservation incentive tax credit**

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

21 A. "Barn" means a residential outbuilding originally constructed for the purposes of
22 the storage of farm products, the housing of livestock or the storage of farm equipment.

23 B. "Commissioner" means the Commissioner of Economic and Community
24 Development.

25 C. "Department" means the Department of Economic and Community Development.

26 D. "Eligible barn" means a barn located on residential property that is used for
27 noncommercial purposes by its owner.

28 E. "Eligible capital investment" means the total of expenditures incurred by a taxpayer
29 that exceed \$25,000 to preserve, restore and renovate an eligible barn during the tax
30 year.

31 F. "Restoration" means labor and materials to renovate, improve and preserve an
32 eligible barn.

33 **2. Credit allowed.** For tax years beginning on or after January 1, 2026, a taxpayer
34 who is engaged in the restoration of an eligible barn is allowed a credit as provided in this
35 section. Subject to subsections 3 and 4, the credit allowed is equal to 40% of the eligible
36 capital investment made in the restoration of the eligible barn.

37 **3. Credit refundable.** The credit allowed under this section is refundable up to
38 \$400,000 per tax year, with the following exceptions.

39 A. In the case of an eligible barn owned by a partnership or an S corporation, the credit
40 under this section is refundable to each partner or shareholder up to an amount equal

1 to \$400,000 multiplied by the pro rata share of the partner or shareholder determined
2 in accordance with section 5219-G, subsection 1.

3 B. In the case of an eligible barn owned by a partnership or an S corporation, when
4 there is a taxpayer that is a beneficiary of an estate or trust that is a partner in a
5 partnership or shareholder in an S corporation, the credit under this section is
6 refundable up to an amount equal to the amount determined in accordance with
7 paragraph A for the estate or trust multiplied by each beneficiary's pro rata share of tax
8 credits determined in accordance with section 5219-G, subsection 2.

9 **4. Limitation; carry-over.** A taxpayer entitled to a credit under this section for any
10 tax year may carry over any unused portion of the credit determined in accordance with
11 subsection 2, as reduced from year to year, and apply it to the tax liability for any one or
12 more of the next succeeding 4 tax years. Carry-over amounts may be applied to tax years
13 after the first year in which the credit is taken. The credit allowed pursuant to this section,
14 including carry-overs, may not exceed \$1,600,000 for any one tax year, with the following
15 exceptions.

16 A. In the case of a taxpayer that is a partner in a partnership or a shareholder in an S
17 corporation, the credit under this section may not exceed \$1,600,000 multiplied by the
18 pro rata share of the partner or shareholder determined in accordance with section
19 5219-G, subsection 1.

20 B. In the case of a taxpayer that is a beneficiary of an estate or trust that is a partner in
21 a partnership or shareholder in an S corporation, the credit under this section may not
22 exceed \$1,600,000 multiplied by the ratio determined in accordance with paragraph A,
23 the result of which is multiplied by each beneficiary's pro rata share of tax credits
24 determined in accordance with section 5219-G, subsection 2.

25 **5. Rules.** The assessor and the commissioner may jointly adopt rules necessary to
26 implement this section. Rules adopted under this subsection are routine technical rules as
27 defined in Title 5, chapter 375, subchapter 2-A.

28 **6. Annual report to department and Legislature.** On or before December 31, 2027
29 and annually thereafter, the assessor shall report to the department the following
30 information for each barn that is the subject of a credit pursuant to this section for the tax
31 year ending during the immediately preceding calendar year:

32 A. The municipality in which the eligible barn is located;

33 B. The value of eligible capital investment expenditures made for the eligible barn;
34 and

35 C. The credit amount received by the taxpayer that owns the barn under subsection 3,
36 paragraph A or B for the prior tax year.

37 On or before March 1, 2028 and annually thereafter, the department shall report to the joint
38 standing committees of the Legislature having jurisdiction over taxation matters and
39 economic development matters with information on the tax credit, including the
40 information reported by the assessor under this subsection.

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SUMMARY

This bill creates a refundable tax credit equal to 40% of the cost that exceeds \$25,000 of the restoration of a noncommercial barn located on residential property. The maximum credit per year is \$400,000. The credit may be carried forward for a maximum of 4 years and the maximum total credit taken may not exceed \$1,600,000.