

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1951

S.P. 758

In Senate, May 7, 2025

An Act to Promote Food Processing and Manufacturing Facility Expansion and Create Jobs

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator STEWART of Aroostook.
Cosponsored by Representative UNDERWOOD of Presque Isle and
Senator: BERNARD of Aroostook, Representatives: ALBERT of Madawaska, ARDELL of
Monticello, BABIN of Fort Fairfield, DAIGLE of Fort Kent, GUERRETTE of Caribou,
SWALLOW of Houlton.

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

2 **Sec. 1. 36 MRSA §5219-VV, sub-§1, ¶H**, as enacted by PL 2019, c. 386, §2, is
3 repealed.

4 **Sec. 2. 36 MRSA §5219-VV, sub-§1, ¶J**, as enacted by PL 2019, c. 386, §2, is
5 amended by repealing subparagraph (1).

6 **Sec. 3. 36 MRSA §5219-VV, sub-§1, ¶J**, as enacted by PL 2019, c. 386, §2, is
7 amended by amending subparagraph (4) to read:

8 (4) The applicant employs or will employ ~~upon~~ within 12 months of the start-up
9 of the facility at least 40 full-time employees based in the State; and

10 **Sec. 4. 36 MRSA §5219-VV, sub-§1, ¶J**, as enacted by PL 2019, c. 386, §2, is
11 amended by amending subparagraph (5) to read:

12 (5) The annual income derived from employment with the applicant of at least
13 75% of the applicant's employees who have been employed by the applicant for at
14 least 12 months exceeds the most recent annual per capita personal income in the
15 county in which the facility is located.

16 **Sec. 5. 36 MRSA §5219-VV, sub-§1, ¶K**, as amended by PL 2019, c. 659, Pt. H,
17 §2, is further amended to read:

18 K. "Qualified investment" means an expenditure of at least \$35,000,000 to design,
19 permit, construct, modify, equip or expand the applicant's facility in the State. The
20 expenditures of a qualified applicant and other entities, whether or not incorporated,
21 that are part of a single business enterprise must be aggregated to determine whether a
22 qualified investment has been made. A qualified investment does not include an
23 expenditure made prior to April 1, 2019 or after December 31, 2024 2027.

24 **Sec. 6. 36 MRSA §5219-VV, sub-§2, ¶E**, as amended by PL 2019, c. 659, Pt. H,
25 §4, is further amended to read:

26 E. A certified applicant shall submit an application to the commissioner for a certificate
27 of completion. If the commissioner determines that the certified applicant has made a
28 qualified investment and determines that, at the time the application for a certificate of
29 completion is submitted, the certified applicant is itself, or is the parent or subsidiary
30 of, an entity that satisfies all of the criteria in subsection 1, paragraph J, ~~subparagraphs~~
31 ~~(4) and (5)~~, the commissioner shall issue a certificate of completion to the certified
32 applicant as soon as is practical. The certificate of completion must state the amount
33 of qualified investment made by the certified applicant.

34 **Sec. 7. 36 MRSA §5219-VV, sub-§2**, as amended by PL 2019, c. 659, Pt. H, §§3
35 and 4, is further amended by amending the first blocked paragraph to read:

36 The commissioner may not issue certificates of approval under this subsection that total, in
37 the aggregate, more than ~~\$100,000,000~~ \$200,000,000 of qualified investment or any
38 individual certificate of approval for more than ~~\$85,000,000~~ \$100,000,000 of qualified
39 investment.

40 **Sec. 8. 36 MRSA §5219-VV, sub-§3, ¶A**, as enacted by PL 2019, c. 386, §2, is
41 amended to read:

1 A. Subject to the limitations under paragraph B, beginning with the first full tax year
2 after the certified applicant has been issued a certificate of completion under subsection
3 2, paragraph E or the tax year beginning on January 1, 2022, whichever is later, and
4 for each of the following 19 tax years, a certified applicant is allowed a credit against
5 the tax due under this Part for the taxable year in an amount equal to 1.8% of the
6 certified applicant's qualified investment, except that, for a tax year beginning on or
7 after January 1, 2027, a certified applicant is allowed a credit against the tax due under
8 this Part for the taxable year in an amount equal to 2% of the certified applicant's
9 qualified investment. A certified applicant may not claim a credit under this subsection
10 for more than 20 years. If the certified applicant is a pass-through entity, the owner or
11 owners of the certified applicant are allowed the credit. The credit allowed under this
12 paragraph is refundable.

13 **Sec. 9. 36 MRSA §5219-VV, sub-§3, ¶B,** as amended by PL 2019, c. 659, Pt. H,
14 §5, is further amended by repealing subparagraph (2).

15 **Sec. 10. 36 MRSA §5219-VV, sub-§3, ¶B,** as amended by PL 2019, c. 659, Pt.
16 H, §5, is further amended by repealing subparagraph (4), division (a).

17 **Sec. 11. 36 MRSA §5219-VV, sub-§3, ¶B,** as amended by PL 2019, c. 659, Pt.
18 H, §5, is further amended by amending subparagraph (4), division (c) to read:

19 (c) The annual income derived from employment with the certified applicant
20 of at least 75% of the certified applicant's employees who have been employed
21 by the certified applicant for at least 12 months exceeds the most recent annual
22 per capita personal income in the county in which the facility is located.

23 SUMMARY

24 This bill amends the laws governing the income tax credit for major food processing
25 and manufacturing facility expansion in the following ways.

26 1. It removes the requirement that an applicant's headquarters are, and have been for
27 each of the last 5 years prior to application for a certificate of approval, located in the State.

28 2. It requires that an applicant employ or will employ within 12 months of the start-up
29 of the facility at least 40 full-time employees based in the State. Current law requires that
30 an applicant employ or will employ upon start-up of the facility at least 40 full-time
31 employees based in the State.

32 3. It changes the criteria to be considered a qualified and certified applicant.

33 4. It increases the total value of certificates of approval that the Commissioner of
34 Economic and Community Development may issue from \$100,000,000 to \$200,000,000.
35 It also increases the cap on an individual certificate of approval from \$85,000,000 to
36 \$100,000,000.

37 5. For a tax year beginning on or after January 1, 2027, it increases the amount of the
38 credit a certified applicant is allowed from an amount equal to 1.8% of the certified
39 applicant's qualified investment to an amount equal to 2% of the certified applicant's
40 qualified investment.

1 6. It removes the provision that provides that a credit is not allowed for any tax year
2 following 2 consecutive tax years during which a certified applicant did not have between
3 \$5,500,000 and \$12,000,000 in ordinary business income.