

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SAR
R.O.F.S

Date: 4/7/26

(Filing No. S-689)

MAJORITY
TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
132ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 837, L.D. 2044, "An Act to Allow for the Transferability of the Biofuel Production and Renewable Chemicals Tax Credits"

Amend the bill by striking out the title and substituting the following:

'An Act to Make the Biofuel Commercial Production and Commercial Use Tax Credit and the Renewable Chemicals Tax Credit Refundable'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §5219-X, sub-§3, as amended by PL 2007, c. 426, §1, is further amended to read:

3. Limitations. A person entitled to a credit under this section for any taxable year may carry over and apply the portion of any unused credits to the tax liability on income derived from the production of biofuel for any one or more of the next succeeding 10 taxable years. The credit allowed, including carryovers, may not reduce the tax otherwise due under this Part to less than zero. A person may be allowed a credit under subsection 2 for a period not to exceed 10 consecutive taxable years as of the first tax year beginning on or after January 1, 2021 for which the credit is allowed.

Sec. 2. 36 MRSA §5219-X, sub-§3-A is enacted to read:

3-A. Refundable credit. Notwithstanding subsection 3, for tax years beginning on or after January 1, 2027, a credit allowed under subsection 2 is refundable up to the amount of the credit generated during the taxable year plus any unused carry-over credit amounts generated and claimed on a timely filed Maine income tax return for tax years 2021, 2022, 2023, 2024, 2025 and 2026.

Sec. 3. 36 MRSA §5219-X, sub-§6, as enacted by PL 2021, c. 181, Pt. A, §12, is amended to read:

6. Reporting. A taxpayer allowed a credit under subsection 2 shall report to the Department of Economic and Community Development, for each tax credit awarded, the

COMMITTEE AMENDMENT

ROFS

1 dollar amount of the tax credit, the number of full-time and part-time direct manufacturing
2 jobs created and the dollar amount of capital investment in manufacturing.

3 **Sec. 4. 36 MRSA §5219-XX, sub-§3**, as amended by PL 2021, c. 181, Pt. A, §13,
4 is further amended to read:

5 **3. Reporting.** A taxpayer allowed a credit under subsection 2 shall report to the
6 Department of Economic and Community Development, for each tax credit awarded, the
7 dollar amount of the tax credit, the number of full-time and part-time direct manufacturing
8 jobs created and the dollar amount of capital investment in manufacturing.

9 **Sec. 5. 36 MRSA §5219-XX, sub-§4**, as enacted by PL 2019, c. 628, §3, is
10 amended to read:

11 **4. Limitation.** A person entitled to a tax credit under this section for any taxable year
12 may carry over and apply the portion of any unused credits to the tax liability on income
13 derived from the production of renewable chemicals for any one or more of the next
14 succeeding 10 taxable years. The credit allowed, including carryovers, may not reduce the
15 tax otherwise due under this Part to less than zero. A person may be allowed a credit under
16 subsection 2 for a period not to exceed 10 consecutive taxable years as of the first tax year
17 beginning on or after January 1, 2021 for which the credit is allowed.

18 **Sec. 6. 36 MRSA §5219-XX, sub-§4-A** is enacted to read:

19 **4-A. Refundable credit.** Notwithstanding subsection 4, for tax years beginning on or
20 after January 1, 2027, a credit allowed under subsection 2 is refundable up to the amount
21 of the credit generated during the taxable year plus any unused carry-over credit amounts
22 generated and claimed on a timely filed Maine income tax return for tax years 2021, 2022,
23 2023, 2024, 2025 and 2026.

24 **Sec. 7. Appropriations and allocations.** The following appropriations and
25 allocations are made.

26 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
27 **Revenue Services, Bureau of 0002**

28 Initiative: Provides one-time funding for administrative expenses to update systems,
29 perform testing and implement processing changes to change the credit from nonrefundable
30 to refundable for the individual, composite, fiduciary and corporate income tax types.

31 GENERAL FUND	2025-26	2026-27
32 All Other	\$0	\$117,370
33		
34 GENERAL FUND TOTAL	\$0	\$117,370

35 **Sec. 8. Report.** On or before December 31, 2031, the Department of Economic and
36 Community Development shall submit a report to the joint standing committee of the
37 Legislature having jurisdiction over taxation matters on the information provided by
38 taxpayers pursuant to the Maine Revised Statutes, Title 36, section 5219-X, subsection 6
39 and Title 36, section 5219-XX, subsection 3 for tax years 2027, 2028, 2029 and 2030. The
40 joint standing committee may report out legislation based on the report.'

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

COMMITTEE AMENDMENT

ROFS

1
2
3
4
5
6
7
8
9
10
11
12
13
14

SUMMARY

This amendment replaces the bill, changes the title and amends the tax laws by making the biofuel commercial production and commercial use tax credit and the renewable chemicals tax credit refundable for tax years beginning on or after January 1, 2027. The amendment limits a person's eligibility to generate a credit under the Maine Revised Statutes, Title 36, sections 5219-X and 5219-XX to a period not to exceed 10 consecutive taxable years as of the first tax year beginning on or after January 1, 2021 for which the credit is allowed. The amendment requires the Department of Economic and Community Development to report to the joint standing committee of the Legislature having jurisdiction over taxation matters 5 years after the credits become refundable and authorizes the committee to report out legislation related to the credits allowed under Title 36, sections 5219-X and 5219-XX after receiving the report.

FISCAL NOTE REQUIRED

(See attached)



132nd MAINE LEGISLATURE

LD 2044

LR 2729(02)

An Act to Allow for the Transferability of the Biofuel Production and Renewable Chemicals Tax Credits

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-639)

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	\$0	\$117,370	\$95,000	\$950,000
Appropriations/Allocations				
General Fund	\$0	\$117,370	\$0	\$0
Revenue				
General Fund	\$0	\$0	(\$95,000)	(\$950,000)
Other Special Revenue Funds	\$0	\$0	(\$5,000)	(\$50,000)

Fiscal Detail and Notes

This bill would result in a revenue decrease to the General Fund of \$95,000 in fiscal year 2027-28 and \$950,000 in fiscal year 2028-29 by making the biofuel commercial production and commercial use tax credit and the renewable chemicals tax credit refundable. The bill would also result in a revenue decrease to the Local Government Fund of \$5,000 in fiscal year 2027-28 and \$50,000 in fiscal year 2028-29. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$117,370 in fiscal year 2026-27 for administrative costs.

Any additional costs to the Department of Economic and Community Development are assumed to be minor and can be absorbed with existing budgeted resources.