

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
128<sup>TH</sup> LEGISLATURE  
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON TAXATION**

October 2018

**STAFF:**

JULIE JONES, SENIOR LEGISLATIVE ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW  
5 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1635  
<http://legislature.maine.gov/ofpr>

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# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions of the 128<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER*..... carried over to a subsequent session of the Legislature  
*CON RES XXX*..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES*..... House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE*..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT*..... action incomplete when session ended; legislation died  
*EMERGENCY*..... enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE*..... emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT*..... legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*..... sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY*..... ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX*..... chapter # of enacted public law  
*RESOLVE XXX*..... chapter # of finally passed resolve  
*VETO SUSTAINED*..... Legislature failed to override Governor's veto

The effective dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128<sup>th</sup> Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

## *Joint Standing Committee on Taxation*

**LD 1903**

### **An Act To Improve the Effectiveness of the Major Business Headquarters Expansion Tax Credit**

**PUBLIC 405**

Sponsor(s)

Committee Report

Amendments Adopted

This bill was reported out by the Taxation Committee pursuant to Public Law 2017, chapter 297, section 3. It makes the following changes to improve the effectiveness of the income tax credit for major business expansions.

1. It provides that the number of additional employees that must be added by a certified applicant must be determined based on the number of qualifying employees above the certified applicant's base level of employment.
2. It provides that a certificate of completion issued by the Commissioner of Economic and Community Development must state the amount of the qualified investment made by the certified applicant, and it clarifies that the credit is 2% of the lesser of the amount of actual qualified investment specified in the certified applicant's certificate of completion and the amount of qualified investment approved in the certificate of approval.
3. It amends reporting requirements and establishes evaluation guidance to improve the future review of the credit under the Maine Revised Statutes, Title 3, chapter 37 by the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters.
4. It clarifies that, if a certificate of approval has been transferred, the transferee is responsible for any repayment obligations if there is a recapture of credit amounts.

#### **Enacted Law Summary**

Public Law 2017, chapter 405 makes the following changes to improve the effectiveness of the income tax credit for major business expansions.

1. It provides that the number of additional employees that must be added by a certified applicant must be determined based on the number of qualifying employees above the certified applicant's base level of employment.
2. It provides that a certificate of completion issued by the Commissioner of Economic and Community Development must state the amount of the qualified investment made by the certified applicant, and it clarifies that the credit is 2% of the lesser of the amount of actual qualified investment specified in the certified applicant's certificate of completion and the amount of qualified investment approved in the certificate of approval.
3. It amends reporting requirements and establishes evaluation guidance to improve the future review of the credit under the Maine Revised Statutes, Title 3, chapter 37 by the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters.
4. It clarifies that, if a certificate of approval has been transferred, the transferee is responsible for any repayment obligations if there is a recapture of credit amounts.