

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
107TH LEGISLATURE

COMMITTEE AMENDMENT "A" to H.P. 935, L.D. 1177, Bill,
"AN ACT to Provide Income Tax Credits for Eligible Businesses."

Amend said Bill by striking out everything before the
Fiscal Note and inserting in place thereof the following:

'36 MRSA §5278-A is enacted to read:

§5278-A. Income tax credits

During the first year, or part thereof, of its operation
an eligible business shall be entitled to a credit equal to
the entire income tax imposed by chapter 817. During the
2nd year of operation, a credit in the amount of 50% of
said income tax for the 2nd taxable year shall be granted to
an eligible business and in each of the 3rd, 4th and 5th
years of operation thereafter an income tax credit in the
amount of 15% for such 3rd, 4th and 5th years shall be
granted.

An "eligible business" shall be a corporation which
produces a product not previously produced on a commercial
scale in this State and where no facilities previously
existed in the State which could produce on a commercial
scale the product produced by the eligible business. The
assessor shall, in accordance with the Administrative Code,
adopt such reasonable regulations as are necessary to carry
out the objective of this section.'

Statement of Fact

This amendment would encourage the location of new
businesses in the State by providing a tax credit, but

discrimination against existing business would be avoided since the credit applies only to businesses producing products not previously produced on a commercial scale in Maine and where no facilities previously existed which could produce that product commercially.

Reported by the Minority of the Committee on Taxation.

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(Filing No. H-492)