

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SEVENTH LEGISLATURE

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**Legislative Document**

**No. 1177**

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H. P. 935

House of Representatives, March 20, 1975

On Motion of Mr. Finemore of Bridgewater, referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Finemore of Bridgewater.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT to Provide Income Tax Credits for Eligible Businesses.**

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

36 MRSA § 5277-A is enacted to read:

§ 5277-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 tax imposed by chapters 801 through 817. During the 2nd year of operation, a credit in the amount of 50% of said tax shall be granted to an eligible business and in each of the 3rd, 4th and 5th years of operation thereafter a credit in the amount of 15% shall be granted.

An "eligible business" shall be one 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 and after a public hearing, adopt, amend and repeal such reasonable regulations as are necessary to carry out the objective of this section.

### FISCAL NOTE

It is estimated that the proposed bill providing income tax credits for businesses producing a product not previously produced on a commercial scale in this State would result in no additional revenue nor any loss in rev-

enue since, presumably, to be eligible for the credit it would appear that this must be a new facility with a new product and, therefore, would not affect tax now reported by existing businesses. There would be no administrative cost involved with enactment of this measure.

#### STATEMENT OF FACT

This bill 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.