

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE (Filing No. S-379)
108TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "F " to S.P. 436, L.D. 1513, Bill, "AN ACT
to Establish a Tax Credit to Aid Businesses Providing New Jobs
in Areas of High Unemployment."

Amend the Bill by striking out everything after the enacting
clause and inserting in its place the following:

'36 MRSA c. 820 is enacted to read:

CHAPTER 820

TAX CREDITS

§5206. New jobs credit

1. Definition of permanent, full-time employee. "Permanent, full-time employee" is an employee who is hired to work at least 32 hours per week and at least 1,600 hours a year for the corporation hiring him.

2. Credit allowed. There is to be allowed a credit against the tax imposed by this Part. The amount of this credit is to be 15% of the tax credit as determined in compliance with the Internal Revenue Code, section 51, with the following qualifications:

A. The credit applies only to businesses within labor market areas as designated by the Commissioner of Manpower Affairs which averaged 9% or greater unemployment during the calendar year immediately preceding the year in which the return is due; and

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B. The credit is to be determined in respect to labor market areas in accordance with rules and regulations promulgated by the State Tax Assessor.

Credit against the tax imposed by this Part shall be allowed for each taxable year beginning on or after January 1, 1978 and concluding on or before December 31, 1982.

3. Termination. No corporation shall be eligible for an additional tax credit under this section after January 1, 1983, but all tax credits which are continuations of previous eligibility under this section shall be permitted to continue in accordance with subsection 2.'

Fiscal Note

This amendment is estimated to reduce income tax revenues by \$200,000 in the 2nd year of the biennium. Ninety-six percent of the reduction is in General Fund revenues and 4% is in the Local Government Fund.

Statement of Fact

This amendment provides for a new employment tax credit which is based on the recently enacted federal jobs credit. The amount of credit would be 15% of the federal credit and be

limited to areas of the State with an unemployment rate of
9% or greater.

(Pray)

NAME:

COUNTY: Penobscot

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July 7, 1977

(Filing No. S-379)