

MAINE STATE LEGISLATURE

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L.D. 2195

(Filing No. H-1156)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "B" to S.P. 740, L.D. 2195, Bill, "AN ACT Adjusting Appropriations and Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1978, and June 30, 1979."

Amend the Bill by inserting before the emergency clause the following:

'PART L

36 MRSA c. 822 is enacted to read:

CHAPTER 822
TAX CREDITS

§5213. New jobs credit

1. Definitions. As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

A. "Employing unit" has the same meaning as in Title 26, section 1043.

B. "Maine Employment Security Commission wages" means the total wages subject to tax under Title 26, section 1221.

C. "New jobs credit base" means the lesser of:

(1) The excess of Maine Employment Security Commission wages for the taxable year over Maine Employment Security Commission wages for the immediately preceding taxable year, less any excess which is attributable to the statutory increase in Maine Employment Security Commission wages from \$4,200 to \$6,000; or

(2) The excess of Maine Employment Security Commission wages for the taxable year over average Maine Employment Security Commission wages for the 3 preceding taxable years, less any excess which is attributable to the statutory increase in Maine Employment Security Commission wages from \$4,200 to \$6,000.

In computing its new jobs credit base, a successor-taxpayer shall add to its own Maine Employment Security Commission wages the Maine Employment Security Commission wages of its predecessor.

D. "Successor-taxpayer" means any taxpayer which has acquired, within 4 years of its taxable year ^{ending} / in 1978, the organization, trade or business, or 50% or more of the assets thereof, of another taxpayer which, at the time of the acquisition, was an employing unit.

2. Credit. A taxpayer which constitutes an employing unit is allowed a credit in the amount of 2% of that taxpayer's new jobs credit base for the taxable year ending in 1978. The credit shall be applied against the tax imposed by this Part for that taxable year insofar as the credit does not reduce that tax by more than 50%. Any excess credit may be carried forward to the next succeeding taxable year or years, provided that the credit shall in no year reduce the tax otherwise imposed for that year by more than 50%.

3. Repeal. This section shall be repealed on January 1, 1980.'

Statement of Fact

This amendment provides for a \$1 million new jobs tax credit during 1978.

Filed by Mr. Carey of Waterville.

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