

		FIRST	REGULAR S	ESSION	
	ONE H	UNDRED A	ND TWELFT	H LEGISLAT	[URE
Legislativ	e Docum	ent			No. 567
S.P. 209				In Senate	, February 14, 1985
Refere	ence to the	e Committee	on Taxation	suggested and	d ordered printed.
			JOY J. C	)'BRIEN, Seci	retary of the Senate
Cospo	onsored by				Senator Gauvreau
		STA	TE OF MAI	NE	
	NINE		YEAR OF C DRED AND	UR LORD EIGHTY-FIN	/E
AN .	Donati	ons of T	echnologi	te Tax Cre cal Equipn itutions.	
Be it e follows		by the P	eople of	the State	of Maine as
36	MRSA §5	217 is e	nacted to	read:	
§5217.	Tax c equipm		or donat	ions of t	cechnological
1.	Credit	allowed	. A taxa	ble corpoi	ration shall
be all	owed a	credit	against t	he tax imp	posed by this
Part fo	r a qua	lified	charitabl	e contrib	oution. The
amount					to 25% of the
					table contri-
					property con-
tion.		ubject t	o the lim	itations of	of this sec-
CTOIL.					

1	2. Definitions. For purposes of this section,
2	"qualified charitable contribution" means a charita-
3	ble contribution of property described in the United
4	States Internal Revenue Code of 1954, Section 1221,
5	paragraphs (1) and (2), except real property, but on-
6	ly if all of the following conditions are met:
7	A. The contribution is to an educational organi-
8	zation which is described in the United States
9	Internal Revenue Code of 1954, Section 170, sub-
10	section (b) (1) (A) (ii);
11	B. The contribution is made not later than one
12	year after the date the construction of the prop-
13	erty is substantially completed;
14 15	C. The original use of the property is by the donee;
16	D. The property is a computer, scientific equip-
17	ment or apparatus all of the use of which by the
18	donee is directly in the education of students in
19	this State;
20	E. The property is not transferred by the donee
21	in exchange for money, other property or ser-
22	vices;
23	F. The taxpayer receives from the governing body
24	of the donee a written statement representing
25	that its use and disposition of the property will
26	be in accordance with these provisions; and
27 28	G. The donation of the property has the approval of the donee.
29	3. Time for donation. No credit under this sec-
30	tion may be taken by a taxable corporation making a
31	qualified charitable contribution before January 1,
32	1987, or after June 30, 1988.
33	4. Exclusivity of credit. The credit granted by
34	this section shall be in lieu of any deduction under
35	this Part to which the taxable corporation otherwise
36	may be entitled.

5. Carry forward provision. In the case of a 1 2 taxable corporation whose credits exceed its tax lia-3 bility computed under this Part for the income years, the taxable corporation shall be allowed a credit to 4 the extent of that tax liability. At the election of 5 6 the taxable corporation, the portion of the credit which exceeds the taxes imposed by this Part may be 7 8 carried forward to the taxes imposed by this Part in 9 succeeding income years, with respect to which this section shall remain in effect for purposes of carry-10 ing forward excess credit, until the credit is used. The credit shall be applied first to the earliest in-11 12 13 come years possible.

14 6. Time for claiming credit on filings. The
15 credit shall be claimed on tax returns filed on or
16 after July 1, 1987.

## STATEMENT OF FACT

18 The purpose of this bill is to grant a tax credit 19 to taxable corporations who donate scientific equip-20 ment to Maine educational institutions, including el-21 ementary and secondary schools, colleges and univer-22 sities and vocational-technical institutes. The credit is limited to 25% of the fair market value of the equipment and the credit is available for only an 23 24 25 18-month period commencing January 1, 1987.

26 It is expected that the enactment of this bill 27 will prompt the donation of computers and other sci-28 entific equipment useful to the education of stu-29 dents. The school must verify that it will be used 30 only for that purpose. So as not to encourage "dumping" of old inventory, the bill requires that the 31 32 equipment be unused and that it be less than one year 33 old from date of manufacture. The equipment must be acceptable to the educational institution. 34

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