

# MAINE STATE LEGISLATURE

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L.D. 2373

2

(Filing No. H-564 )

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STATE OF MAINE

4

HOUSE OF REPRESENTATIVES

5

113TH LEGISLATURE

6

SECOND REGULAR SESSION

7

COMMITTEE AMENDMENT "A" to H.P. 1730, L.D. 2373,  
8 Bill, "AN ACT Establishing the Maine Seed Capital Tax  
9 Credit Program."

10

Amend the Bill in section 2 in that part  
11 designated "§1100-T." in subsection 2 by striking out  
12 all of paragraphs C and D and inserting in their place  
13 the following:

14

'C. Aggregate investment eligible for tax credits  
15 shall not be less than \$25,000 nor more than  
16 \$250,000 for any one business as of the date of  
17 issuance of a tax credit certificate.

18

D. The investment with respect to which any  
19 individual is applying for a tax credit  
20 certificate shall be not less than \$10,000 nor  
21 more than an aggregate of \$50,000 in any one  
22 business, provided that this paragraph shall not  
23 be interpreted to limit other investment by any  
24 applicant for which that applicant is not applying  
25 for a tax credit certificate.'

26

Further amend the Bill in section 2 in that part  
27 designated "§1100-T." by striking out all of  
28 subsection 4 and inserting in its place the following:

29

'4. Total of credits authorized. The authority  
30 may issue tax credit certificates in the aggregate  
31 credit amount of \$700,000 in the fiscal year ending  
32 June 30, 1989, \$650,000 in the fiscal year

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1 ending June 30, 1990, and \$650,000 in the fiscal year  
2 ending June 30, 1991, for a total aggregate of  
3 \$2,000,000 in tax credit certificates, provided that  
4 any authorized credit for which certificates have not  
5 been issued in the year authorized may be carried  
6 forward to subsequent years until an aggregate of  
7 \$2,000,000 in certificates has been issued.'

8 Further amend the Bill in section 4 in that part  
9 designated "\$5216-B." in subsection 4 in the last line  
10 (page 5, line 30 in L.D.) by inserting after the  
11 underlined word and punctuation "years." the  
12 following: 'In no case may this carry-forward period  
13 exceed 15 years.'

14 Further amend the bill by inserting at the end  
15 before the Statement of Fact the following:

16 'Sec. 5. Effective date. This bill shall be  
17 effective for tax years beginning on or after January  
18 1, 1988.

19 FISCAL NOTE

20 This bill authorizes tax credits amounting to  
21 \$2,000,000. The fiscal impact of this bill is a  
22 future loss of revenue of \$1,500,000 because \$500,000  
23 of existing tax credit exposure is absorbed into the  
24 new program. Due to the phase-in period provided for,  
25 this loss will be spread over the next 2 bienniums.  
26 For fiscal year 1989, there is an estimated loss of  
27 revenue of \$238,500 in the General Fund and \$12,500 in  
28 Municipal Revenue Sharing if the full amount of  
29 credits is awarded. An amount of \$250,000 has been  
30 included in the Governor's budget proposals, but has  
31 not yet been approved by the Legislature.'

32 STATEMENT OF FACT

33 This amendment clarifies that limits applicable to  
34 the amount of investment for which tax credits may be  
35 given do not limit other investment which will not be  
36 eligible for tax credits. It also reduces the tax  
37 credits allocated for fiscal year 1989 from \$1,000,000  
38 to \$700,000 and increases the tax credits allocated  
39 for fiscal year 1990 and fiscal year 1991 from

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1 \$500,000 to \$650,000, resulting in no change in the  
2 aggregate of \$2,000,000 in credits authorized under  
3 the program. It also restricts the unused credit  
4 carry forward to no more than 15 years and adds a  
5 fiscal note.

6

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Reported by the Committee on Taxation  
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