

MAINE STATE LEGISLATURE

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L.D. 565

(Filing No. S-277)

**STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 235, L.D. 565, Bill, "An Act Concerning the Maine Railroad Excise Tax"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 36 MRSA §2621-A, sub-§3 is enacted to read:

3. Maine capital tax credit. "Maine capital tax credit" is a credit against the tax imposed by section 2624.

A. The credit shall be an amount equal to 50% of the expenditures in any taxable year related to capital investments, improvements or renovations to a railroad's operations in this State.

Sec. 2. 36 MRSA §2624, as amended by PL 1983, c. 571, §§6 and 7, is further amended by inserting at the end a new paragraph to read:

The tax calculated pursuant to this section, for any taxable year, shall be decreased by a tax credit as defined in section 2621-A, subsection 3, calculated for that same taxable year. At no time may a tax credit be utilized to decrease the tax below the minimum tax imposed by this section.

Sec. 3. Application. This Act shall apply to tax years for which an excise tax return is filed on or after April 15, 1990.

FISCAL NOTE

This bill will result in an estimated minimum loss of revenue to the General Fund of \$500,000 in fiscal year 1989-90 and \$500,000 in fiscal year 1990-91. This amount could

COMMITTEE AMENDMENT "A " to S.P. 235, L.D. 565

1 increase subject to the actual amount of taxable gross
2 transportation receipts that would be subsequently offset by any
3 allowable Maine capital tax credit.'

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STATEMENT OF FACT

9 This amendment utilizes the existing alternative minimum tax
10 formula and provides a credit for capital improvements and
11 investments related to the State of Maine. As such, it provides
12 a significant inducement to upgrade existing plants and
13 facilities and invest in new equipment and facilities as well.
14 For example, this credit will provide an inducement to replace
15 old rails and ties, providing significant safety benefits for
railroad employees and members of the general public.

Reported by Senator Baldacci for the Committee on Taxation.
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(6/14/89) (Filing No. S-277)