

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
115TH LEGISLATURE  
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to S.P. 960, L.D. 2430, Bill, "An Act to Establish Economic Recovery Tax Credits"

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

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. Review of tax expenditures.** In conjunction with its review pursuant to the Maine Revised Statutes, Title 36, section 197 and section 198, subsection 4, paragraphs N and O, the Joint Standing Committee on Taxation shall study the advisability and impact of creating the following tax credits:

1. A one-time investment tax credit on a business's machinery and equipment of which no prior use has been made and depreciable telemarketing personal property of the business when the business first began operation in this State during the taxable year;

2. A credit, limited to \$1,000 per employee, against the tax imposed in Title 36, Part 8 in the amount of 50% of the amount of educational assistance that qualifies for exclusion from the gross income of employees of the taxpayer for the taxable year;

3. A credit against the tax imposed in Title 36, Part 8 for each taxable year equal to 1.5% of the taxpayer's qualified investment. When an affiliated group of corporations is engaged in a unitary business, the credit would be applied against the total tax liability of all the taxable corporations in the

2 affiliated group and apportioned among those taxable corporations  
3 in the same proportion as the tax liability of each taxable  
4 corporation bears to the total tax liability of all the taxable  
5 corporations; and

6 4. A credit for a taxpayer that constitutes an employing  
7 unit, as defined in Title 26, section 1043, subsection 10,  
8 against the tax imposed in Title 36, Part 8 in the amount of  
9 \$1,000 multiplied by the taxpayer's new jobs equivalent.

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11 **Sec. 2. Report.** The Joint Standing Committee on Taxation  
12 shall report its findings to the next special session of the  
13 115th Legislature, together with any necessary implementing  
14 legislation, called after the adjournment of the second regular  
15 session.'

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**STATEMENT OF FACT**

This amendment replaces the bill and requires that, in  
conjunction with its existing statutorily mandated review of  
investment tax credits pursuant to the Maine Revised Statutes,  
Title 36, sections 197 and 198, the Joint Standing Committee on  
Taxation review the advisability of creating several income tax  
credits intended to provide businesses with incentives for new  
investment and job creation.

Filed by Rep. Cashman of Old Town  
Reproduced and distributed under the direction of the Clerk of the  
House  
3/27/92 (Filing No. H-1299)