

MAINE STATE LEGISLATURE

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L.D. 969

(Filing No. H-570)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 718, L.D. 969, Bill, "An Act to Amend State Tax Increment Financing"

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. 30-A MRSA §5685 is enacted to read:

§5685. State tax financing

A municipality is eligible to receiving state tax financing as follows.

1. Eligible property. If a municipality owns or controls property that is not subject to local real property tax and if that property is used as a site for at least 50 athletic contests annually by professional athletic teams for which an admission fee is charged, the municipality is entitled to receive 25% of all sales or income taxes generated by the recreation or entertainment uses at that site.

2. Registration and approval by the State Tax Assessor. At least 30 days prior to the first day of the state fiscal year in which a municipality wishes to qualify for a sales and income tax payment under this section, the municipality shall submit an application for approval to the State Tax Assessor on a form to be provided by the State Tax Assessor.

The State Tax Assessor shall approve or deny the application in writing within 60 days. Once granted, approval remains in effect for 10 years or until the municipality is no longer eligible for

1 state tax financing, whichever is earlier. Denial of the
2 application constitutes final agency action and is subject to
3 appeal pursuant to the Maine Administrative Procedure Act.

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5 3. Retained state tax revenues. The following provisions
6 govern retained state tax revenues.

7
8 A. On or before April 15th of each year, a business
9 providing recreation or entertainment pursuant to subsection
10 1 shall report the amount of sales tax paid in connection
11 with operations on the property, the number of employees,
12 the state income taxes withheld for the immediately
13 preceding calendar year and any further information the
14 State Tax Assessor reasonably requires.

15
16 B. On or before June 30th of each year, the State Tax
17 Assessor shall determine sales tax paid in connection with
18 operations on the property pursuant to subsection 1 and the
19 state income taxes withheld.

20
21 4. State tax financing account created. On or before June
22 30th of each year, the Commissioner of Administrative and
23 Financial Services shall deposit an amount equal to the total
24 retained state tax financing revenues for the preceding calendar
25 year for approved state tax financing projects into the state tax
26 financing program account established, maintained and
27 administered by the commissioner. On or before July 31st of each
28 year, the commissioner shall pay to each municipality an amount
29 equal to the retained state tax financing revenues for the
30 preceding calendar year from all state tax financing projects
31 located within that municipality.

32
33 5. Confidential information. The provisions of section
34 5254-A, subsection 8 apply to all records related to an
35 application under this section.

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41 **FISCAL NOTE**

42 This bill will allow municipalities to obtain 25% of all
43 sales and income taxes generated at certain facilities under very
44 specific circumstances. The reductions of revenues to the
45 General Fund and the municipal revenue sharing program can not be
46 determined at this time.

47 The Department of Administration will incur some minor
48 additional costs to administer the state tax financing program.
49 These costs can be absorbed within the department's existing
50 budgeted resources.

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2 The Bureau of Taxation will incur some minor additional
costs to administer the state tax financing program. These costs
4 can be absorbed within the bureau's existing budgeted resources.'

6
8 **STATEMENT OF FACT**

10 This amendment replaces the bill. It creates a methodology
whereby a municipality can obtain funding from state sources in
12 very specific circumstances.

14 The amendment also adds a fiscal note to the bill.

Reported by the committee on Taxation
Reproduced and distributed under the direction of the Clerk of the
House
6/2/93 (Filing No. H-570)

COMMITTEE AMENDMENT