

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
116TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to SENATE AMENDMENT "A" to S.P. 778, L.D. 2008, Bill, "An Act to Clarify the Jobs and Investment Tax Credit"

Amend the amendment in section 1 in that part designated "§5215." by striking out all of subsection 6-A (page 3, lines 36 to 50 and page 4, lines 1 to 38 in amendment)

Further amend the amendment in section 1 in that part designated "§5215." in subsection 6-B in the first paragraph in the first line (page 4, line 40 in amendment) by striking out the following: "6-B." and inserting in its place the following: '6-A.'

Further amend the amendment by striking out all of section 2 (page 6, lines 16 to 31 in amendment) and inserting in its place the following:

**'Sec. 2. Application and transition provisions.** Those portions of this Act that amend the Maine Revised Statutes, Title 36, section 5215, subsection 1 and enact Title 36, section 5215, subsection 2, paragraphs A-1 and A-2 apply to tax years beginning on or after January 1, 1993.

The portions of this Act that amend Title 36, section 5215, subsection 2, paragraph B and subsections 3, 4 and 7 and that enact Title 36, section 5215, subsection 6-A apply to tax years beginning on or after January 1, 1995.'

Further amend the amendment by striking out all of the  
fiscal note and inserting in its place the following:

**FISCAL NOTE**

Modifying the jobs and investment tax credit by increasing  
the maximum credit in any taxable year from \$300,000 to \$500,000,  
lowering the minimum number of new jobs created from 200 in a  
12-month period to 100 in a 24-month period and extending the  
credit prospectively to affiliated groups will not significantly  
affect budgeted General Fund revenue during the current  
biennium. However, the expanded credit is estimated to reduce  
General Fund revenue collections by approximately \$2,600,000 in  
fiscal year 1995-96 and \$4,400,000 annually beginning in fiscal  
year 1996-97. The creation of new jobs and new business  
investment is expected to generate additional sales and income  
tax revenue from the incremental increase of economic activity.  
The amount of this incremental revenue can not be determined at  
this time.

Restricting investment credits to only those retail  
organizations that do not operate to the detriment of other Maine  
businesses may result in increased General Fund revenue from  
disqualified taxpayers. The amount of income tax revenue may  
increase by as much as \$300,000 in fiscal year 1994-95 from  
disqualified taxpayers.

**STATEMENT OF FACT**

This amendment deletes that portion of Senate Amendment "A"  
that would have applied the new affiliated group provisions  
retroactively. This ensures that any application by an  
affiliated group for an investment tax credit for prior tax years  
is determined under the law in existence at that time.

SPONSORED BY: *Jay Conley*  
(Senator CONLEY)

COUNTY: Cumberland