

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: May 25, 1995

(Filing No. S- 188)

TAXATION

Reported by: Senator HATHAWAY of York for the Committee.

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 217, L.D. 559, Bill, "An Act to Promote Economic Development by Establishing a Research and Development Tax Credit"

Amend the bill in section 1 in that part designated "~~§5219-K.~~" in subsection 1 in the first line (page 1, line 7 in L.D.) by striking out the following: "domestic or foreign corporation" and inserting in its place the following: 'taxpayer' and in the 2nd line (page 1, line 8 in L.D.) by striking out the following: "its" and inserting in its place the following: 'the' and in the 3rd line (page 1, line 9 in L.D.) by striking out the following: "10%" and inserting in its place the following: '5%' and in the 4th line (page 1, line 10 in L.D.) by striking out the following: "15%" and inserting in its place the following: '7.5%'

Further amend the bill in section 1 in that part designated "~~§5219-K.~~" by striking out all of subsection 5 and inserting in its place the following:

'5. Carryover to succeeding years. A taxpayer entitled to a credit under this section for any taxable year may carry over and apply to the tax due for any one or more of the next succeeding 15 taxable years the portion, as reduced from year to year, of the credit that exceeds the tax due for the taxable year. A taxpayer may carry over and apply to the tax due for any subsequent taxable year the portion of those credits, as reduced from year to year, not allowed by subsection 3.'

COMMITTEE AMENDMENT "A" to S.P. 217, L.D. 559

Further amend the bill in section 1 in that part designated "~~§5219-K.~~" by inserting after subsection 6 the following:

'7. Application. This section applies to any tax year beginning on or after January 1, 1996.'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

		1996-97
	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF	
	Bureau of Taxation	
20	Positions - Legislative Count	(1.0)
	Personal Services	\$17,438
22	All Other	13,028
	Capital Expenditures	5,569
24		
26	Provides funds for one Senior Revenue Agent position and associated administrative costs to audit and process claims for the research and development credit.	
28		
30		
32	DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES	
34	TOTAL	<u>\$36,035'</u>

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

		1996-97
	APPROPRIATIONS/ALLOCATIONS	
44	General Fund	\$36,035
46	REVENUES	
48	General Fund	(\$237,250)

COMMITTEE AMENDMENT

RMS

COMMITTEE AMENDMENT "A" to S.P. 217, L.D. 559

Other Funds

(12,750)

2

4

6

The additional income tax exemption for research and development expenditures will decrease General Fund revenue by \$237,250 in fiscal year 1996-97. The corresponding decrease in state-municipal revenue sharing will be \$12,750.

8

10

12

14

The Bureau of Taxation will require an additional General Fund appropriation of \$36,035 in fiscal year 1996-97 for one Senior Revenue Agent position and associated administrative costs beginning January 1, 1997 to audit and process returns claiming the credit. The additional costs to promulgate rules regarding the credit can be absorbed by the Bureau of Taxation utilizing existing budgeted resources.'

16

STATEMENT OF FACT

18

20

This amendment reduces the amount of the research and development tax credit and provides that the credit applies to any tax year beginning on or after January 1, 1996.