

MAINE STATE LEGISLATURE

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BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 920, L.D. 1296, Bill, "An Act to Increase Venture Capital Access to State Businesses"

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

'Sec. 11. 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

Positions - Legislative Count	(1.0)
Personal Services	\$14,771
All Other	10,235
Capital Expenditures	7,495

Provides funds for one Tax Examiner position and related administrative costs required to process claims for new tax credits.

**DEPARTMENT OF ADMINISTRATIVE AND
FINANCIAL SERVICES**

TOTAL \$32,501'

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

FISCAL NOTE

1996-97

APPROPRIATIONS/ALLOCATIONS

General Fund \$32,501

This bill establishes the Maine Economic Development Venture Capital Revolving Investment Program Fund. General Fund appropriations or other funding sources will be required to capitalize this fund.

The expansion of the Maine Seed Capital Tax Credit Program will decrease corporate and individual income tax collections reducing General Fund revenue and state-municipal revenue sharing in fiscal year 1996-97 by amounts that can not be determined. The reductions of income tax collections will increase as the amount of available credits is increased beginning in calendar year 1997.

The additional income tax exemption for long-term capital gains in certain instances will decrease General Fund revenue by an amount that can not be determined in fiscal year 1996-97. The corresponding decrease in state-municipal revenue sharing also can not be determined. The amount is expected to be negligible in the early years but may grow dramatically in the future.

The Bureau of Taxation will require an additional General Fund appropriation of \$32,501 in fiscal year 1996-97 for a tax examiner and associated administrative costs to process claims for these new tax credits.'

STATEMENT OF FACT

This amendment adds an appropriation section and a fiscal note to the bill.