

MAINE STATE LEGISLATURE

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BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1489, L.D. 2088, Bill, "An Act to Amend the Laws Concerning Access to Capital for Maine Businesses"

Amend the bill in section 1 in subsection 2-A by striking out all of paragraph B (page 1, lines 31 to 38 in L.D.) and inserting in its place following:

~~'B. Each state business in which the private venture capital fund invests must be a manufacturer, must provide a service that is sold or rendered, or is projected to be sold or rendered, predominantly outside of the State, or must bring capital into the State, as determined by the authority. As used in this subsection, unless the context otherwise indicates, an "eligible business" means a business located in the State that:~~

(1) Is a manufacturer or is engaged in the development or application of advanced technologies; and

(2) Provides a service that is sold or rendered, or is projected to be sold or rendered, predominantly outside of the State or brings capital into the State, as determined by the authority.'

Further amend the bill by inserting at the end before the summary the following:

COMMITTEE AMENDMENT

FISCAL NOTE

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This bill expands eligibility for the Maine Seed Capital Tax Credit program. This expansion will reduce individual income tax collections beginning in fiscal year 1998-99. If the tax credit usage increases by 10%, the resulting reductions of General Fund revenue will be approximately \$17,710 in fiscal year 1998-99, \$32,252 in fiscal year 1999-2000 and \$41,502 in fiscal year 2000-01. The corresponding decreases in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be approximately \$952, \$1,733 and \$2,230, respectively. It is not possible, based on available data, to predict the percentage increase in the usage of this program and the resulting revenue reductions.'

SUMMARY

This amendment expands businesses that are eligible to participate in the private venture capital fund by including advanced technology businesses.