

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2216

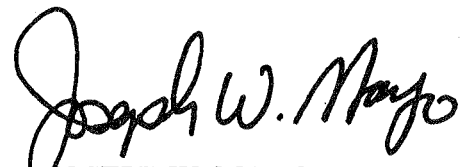
H.P. 1585

House of Representatives, February 17, 1998

An Act to Implement the Recommendations of the Commission to Study the Restructuring of the State's Fiscal Policies to Promote the Development of High-technology Industry in Maine.

Reported by Representative DAVIDSON for the Commission to Study the Restructuring of the State's Fiscal Policies to Promote the Development of High-technology Industry in Maine pursuant to Public Law 1997, chapter 557, Part C.

Reference to the Joint Standing Committee on Taxation suggested and printing ordered under Joint Rule 218.


JOSEPH W. MAYO, Clerk

Be it enacted by the People of the State of Maine as follows:

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Sec. 1. Establishment of Ph.D. programs. The Chancellor of the University of Maine System shall identify, within the University of Maine System, the high-technology disciplines that would be the most productive for the establishment of Ph.D. programs to provide educational and professional opportunities for Maine students and economic opportunities through the establishment of significant academic high-technology resources. The chancellor shall consider especially the establishment of Ph.D. programs in computer science and electrical engineering as well as other areas where Ph.D. programs do not currently exist within the target areas identified by the Maine Science and Technology Foundation: biotechnology, environmental technology, composite technology, information technology and marine science technology. The chancellor shall present a plan, including any necessary implementing legislation, to the 119th Legislature by January 1, 1999 for the establishment of Ph.D. programs in a timely manner.

Sec. 2. Financial aid programs. The Finance Authority of Maine shall review existing student financial aid programs for supporting students pursuing high-technology courses of study and make recommendations to the 119th Legislature by January 1, 1999, including any necessary implementing legislation, to provide additional resources to support such students.

Sec. 3. Availability of capital. The Finance Authority of Maine shall analyze the availability of capital for business start-up and development to determine if sufficient capital is available for all levels of high-technology business needs and to identify what barriers may exist to accessing capital. The Finance Authority of Maine shall develop strategies for increasing capital, if necessary, and for assisting fledgling businesses in locating and obtaining capital and for removing barriers to access. The authority shall submit a report to the 119th Legislature by January 1, 1999 describing the results of its analysis and containing its recommendations along with any necessary implementing legislation.

Sec. 4. Analysis and review of effectiveness of tax incentives.

1. Analysis of tax incentives. The Bureau of Revenue Services shall gather and analyze, to the maximum extent possible while preserving any taxpayer confidentiality as provided in the Maine Revised Statutes, data regarding businesses taking advantage of the following incentives:

- A. The Maine Employment Tax Increment Financing Program;

- 2 B. The seed capital investment tax credit;
- 4 C. The research expense tax credit;
- 6 D. The supercredit for substantially increased research and development;
- 8 E. The high-technology investment tax credit;
- 10 F. The sales tax exclusion for custom computer software;
- 12 G. The sales tax exemption for nonprofit medical research corporations and biology and ecology labs;
- 14 H. The sales tax exemption for sales of research and development equipment; and
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- 18 I. The sales tax exemption for organizations conducting research for the Maine Science and Technology Foundation.
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22 All other agencies involved in the administration of a tax incentive subject to analysis shall provide any information requested by the Bureau of Revenue Services to complete the analysis required by this section.

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26 **2. Effectiveness of tax incentives.** The Department of Economic and Community Development shall examine the information provided by the Bureau of Revenue Services and determine whether each tax provision is an effective means of providing incentives for the growth of high-technology businesses in the State and make recommendations for any necessary changes.

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34 **3. Report.** The Bureau of Revenue Services and the Department of Economic and Community Development jointly shall submit the results of the examination required by this section, including any necessary implementing legislation, to the 119th Legislature by January 1, 1999.

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40 **Sec. 5. High-technology marketing.** The Maine Science and Technology Foundation and the Department of Economic and Community Development jointly shall develop a complete inventory of existing high-technology resources and shall identify strategies for attracting and developing new companies, including a plan for marketing the State as a high-technology location. The foundation and the department shall present a plan, including any necessary implementing legislation, to the 119th Legislature by January 1, 1999 for aggressively marketing the State's potential as a location for high-technology businesses.

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