

# MAINE STATE LEGISLATURE

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L.D. 2551

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DATE: 4/27/00 (Filing No. S-785)

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STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1817, L.D. 2551, Bill, "An Act to Implement the Recommendations of the Committee on Sawmill Biomass"

Amend the amendment on page 2 in the 2nd indented paragraph in the last line (page 2, line 12 in amendment) by inserting after the following: "zero," the following: 'The aggregate amount of credits authorized under this section may not exceed \$500,000.'

Further amend the amendment on page 2 by inserting after the 2nd indented paragraph the following:

'Further amend the bill in section 1 in that part designated "~~§5219-S.~~" by striking out all of subsection 3 (page 2, lines 26 to 29 in L.D.) and inserting in its place the following:

'3. Period of application. The credit allowed by this section applies to wood processing residue that is transported and delivered during the period from July 1, 2000 to June 30, 2001 to a facility for authorized consumption. The credit must be taken during the tax year in which the transport and delivery occurs.

4. Rule-making authority. The Commissioner of Conservation, in consultation with the state economist, shall monitor, on a quarterly basis, the effectiveness of this section and, if necessary, adopt rules to ensure fair market interactions between taxpayers and facilities. The rules may contain provisions for suspension of the credit if the commissioner finds the existence of anticompetitive market conditions. Rules adopted

**SENATE AMENDMENT**

pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.' '

Further amend the amendment on page 2 by striking out all of lines 14 to 34.

### FISCAL NOTE

This amendment reduces the General Fund cost of the bill by limiting the period of eligibility to the one-year period ending June 30, 2001 and by capping the total amount of the credits authorized to \$500,000. The amount of the total General Fund revenue reductions after the reductions of transfers to the Local Government Fund for state-municipal revenue sharing will occur in fiscal years 2000-01 and 2001-02 and total \$474,500 over the two year period. The amount of the reductions by fiscal year can not be determined at this time. Given the uncertainty about the timing of the revenue effects of this credit, it is assumed that the total General Fund revenue loss will occur in fiscal year 2000-01.

The additional costs associated with monitoring the effectiveness of these tax credits and developing rules can be absorbed by the Department of Conservation utilizing existing budgeted resources.

### SUMMARY

This amendment limits the tax credit for wood processing facilities to the one-year period ending June 30, 2001 and caps it at an aggregate of \$500,000. This amendment requires the Commissioner of Conservation to monitor the effectiveness of the tax credit. This amendment also removes the appropriation.

SPONSORED BY: *Michael A. Michaud*  
(Senator MICHAUD)

COUNTY: Penobscot *QUB*