

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
SECOND REGULAR SESSION

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 bill in section 1 in that part designated "§5219-S." in subsection 1 by inserting after paragraph C the following:

'D. "Taxpayer" means a business that produces merchantable lumber or secondary wood products.'

Further amend the bill in section 1 in that part designated "§5219-S." in subsection 1 in paragraph D in the first line (page 1, line 47 in L.D.) by striking out the following: "D." and inserting in its place the following: 'E.'

Further amend the bill in section 1 in that part designated "§5219-S." in subsection 1 in paragraph D in the 3rd line (page 1, line 49 in L.D.) by striking out the following: "lumber," and inserting in its place the following: 'lumber or'

Further amend the bill in section 1 in that part designated "§5219-S." in subsection 1 in paragraph D in the 4th line (page 1, line 50 in L.D.) by striking out the following: "or pulpwood chips"

Further amend the bill in section 1 in that part designated "§5219-S." in subsection 2 in the 5th line (page 2, line 11 in L.D.) by inserting after the following: "credit equals" the following: 'the credit cap less the amount received from the facility for the wood processing residue delivered. The credit cap equals'

COMMITTEE AMENDMENT

2 Further amend the bill in section 1 in that part designated
4 "~~§5219-S.~~" in subsection 2 in the blocked paragraph in the first
6 line (page 2, line 22 in L.D.) by inserting after the following:
"taxpayer that" the following: 'includes a facility or that owns
or'

8 Further amend the bill in section 1 in that part designated
10 "~~§5219-S.~~" in subsection 2 in the blocked paragraph in the last
12 line (page 2, line 24 in L.D.) by inserting after the following:
"ton." the following: 'The credit authorized by this section may
not reduce the tax below zero.'

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

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

20 2000-01

22 **ADMINISTRATIVE AND FINANCIAL**
24 **SERVICES, DEPARTMENT OF**

26 **Bureau of Revenue Services**

All Other \$6,000

28 Provides funds to cover
30 additional computer
32 programming expenses
34 associated with adding a line
to the corporate income tax
form.'

36 Further amend the bill by relettering or renumbering any
38 nonconsecutive Part letter or section number to read
consecutively.

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

44 **FISCAL NOTE**

1999-00 2000-01

46 **APPROPRIATIONS/ALLOCATIONS**

48 General Fund \$6,000

2 **REVENUES**

4	General Fund	(\$75,920)	(\$973,674)
	Other Funds	(4,080)	(52,326)

6
8 The income tax credit for transporting wood processing
residue will decrease corporate income tax collections by \$80,000
in fiscal year 1999-00 and \$1,026,000 in fiscal year 2000-01.
10 The reduction of these tax collections will decrease the amounts
transferred to the Local Government Fund for state-municipal
12 revenue sharing in those years by \$4,080 and \$52,326,
respectively. The resulting net reductions of General Fund
14 revenue will be \$75,920 in fiscal year 1999-00 and \$973,674 in
fiscal year 2000-01.

16
18 The Bureau of Revenue Services will incur additional costs
estimated to be \$6,000 in fiscal year 2000-01 for computer
programming to add an additional line on the corporate income tax
20 form. An additional General Fund appropriation is included to
fund these additional costs.'

22
24 **SUMMARY**

26 This amendment clarifies who may claim the temporary tax
credit for wood processing residue facilities and the definition
28 of "wood processing residue." The amendment establishes a
"credit cap" and provides that the credit is reduced by amounts
30 received by the taxpayer for wood processing residue. The
amendment also provides that the credit may not reduce the tax
32 below zero and adds a fiscal note.