

MAINE STATE LEGISLATURE

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REG

L.D. 384

DATE: 5-8-01

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MAJORITY
TAXATION

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12 the House.

14 STATE OF MAINE
16 HOUSE OF REPRESENTATIVES
18 120TH LEGISLATURE
20 FIRST REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 306, L.D. 384, Bill, "An
Act to Increase the Forest Management Planning Income Tax Credit"

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Amend the bill by striking out everything after the enacting
clause and before the summary and inserting in its place the
following:

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'Sec. 1. 36 MRSA §5219-C, as repealed and replaced by PL
1991, c. 377, §20, is repealed and the following enacted in its
place:

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§5219-C. Forest management plan credit

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1. Credit. An individual is allowed a credit against the
tax otherwise due under this Part for the lesser of the
individual's cost for having a forest management and harvest plan
developed for a parcel of forest land greater than 10 acres or:

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A. For parcels of forest land that were classified for
current use valuation under chapter 105, subchapter II-A
before September 30, 1989, \$300; or

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B. For all other parcels of forest land, \$200.

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2. Limitations. The credit provided by this section is
subject to the following limitations:

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A. The credit may not be taken more frequently than once
every 10 years;

Refs

2 B. The licensed professional forester that developed the
4 plan may not be in the regular employ of the person claiming
the credit;

6 C. A person that deducts the cost of the forester as an
8 expense under the Code must reduce the expense by the amount
of the credit for purposes of this Part; and

10 D. The credit may not reduce the tax otherwise due under
12 this Part below zero.

14 3. Documentation required. A person claiming the credit
provided by this section must:

16 A. Attach a statement from the forester that developed the
18 plan supporting the claim; and

20 B. Swear that the person has not claimed the credit
provided by this section in the previous 10 years.'

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

26 **FISCAL NOTE**

28		2001-02	2002-03
30	REVENUES		
32	General Fund	(\$11,388)	(\$59,787)
34	Other Funds	(612)	(3,213)

36 The increase of the forest management and harvest plan
38 income tax credit for certain parcels of forest land will
40 decrease individual income tax collections by \$12,000 in fiscal
42 year 2001-02 and \$63,000 in fiscal year 2002-03. The reduction
44 of these tax collections will decrease the amounts transferred to
the Local Government Fund for state-municipal revenue sharing in
those years by \$612 and \$3,213, respectively. The resulting net
reductions of General Fund revenue will be \$11,388 in fiscal year
2001-02 and \$59,787 in fiscal year 2002-03.

46 The Bureau of Revenue Services will incur some minor
48 additional costs to administer the revised credit. These costs
can be absorbed within the bureau's existing budgeted resources.'

COMMITTEE AMENDMENT

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SUMMARY

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This amendment restricts the increase in the forest management plan credit to landowners whose land was classified under the Maine Tree Growth Tax Law before September 30, 1989, when the management plan was required as a condition of participation in the current use valuation program. The amendment also reorganizes the section and adds a fiscal note.

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