

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 664

S.P. 192

In Senate, February 13, 2001

An Act to Amend the Employment Tax Increment Financing Program.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator SHOREY of Washington.

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

2 **Sec. 1. 36 MRSA §6753, sub-§11**, as enacted by PL 1995, c. 669,
4 §5, is amended to read:

6 **11. Qualified business.** "Qualified business" means any
7 for-profit business in this State, other than a public utility as
8 defined by Title 35-A, section 102, that adds ~~15--or--more~~ the
9 applicable number of qualified employees specified in section
10 6754-A above its base level of employment in this State within
11 any 2-year period commencing on or after January 1, 1996 and that
12 meets one of the following criteria:

14 A. The business is not engaged in retail operations;

16 B. The business is engaged in retail operations but less
17 than 50% of its total annual revenues from Maine-based
18 operations are derived from sales taxable in this State; or

20 C. The business is engaged in retail operations and can
21 demonstrate to the commissioner by a preponderance of the
22 evidence that any increased sales will not include sales tax
23 revenues derived from a transferring or shifting of retail
24 sales from other businesses in this State.

26 For purposes of this subsection, "retail operations" means sales
27 of consumer goods for household use to consumers who personally
28 visit the business location to purchase the goods.

30 **Sec. 2. 36 MRSA §6754-A** is enacted to read:

32 **§6754-A. Required number of new employees**

34 In order to qualify for the program established under this
35 chapter a business must add qualified employees above its base
36 level of employment as follows.

38 **1. Labor market areas with unemployment rate at or below**
39 **state unemployment rate.** In labor market areas in which the
40 labor market unemployment rate is at or below the state
41 unemployment rate at the time of application, the required
42 minimum number of added employees is 15.

44 **2. Labor market areas with unemployment rate above the**
45 **state unemployment rate but not more than 150% of state**
46 **unemployment rate.** In labor market areas in which the labor
47 market unemployment rate is above the state unemployment rate at
48 the time of application but not more than 150% of the state
49 unemployment rate, the required minimum number of added employees
50 is 10.

2 3. Labor market areas with unemployment rate more than 150%
3 of the state unemployment rate. In labor market areas in which
4 the labor market unemployment rate is more than 150% of the state
5 unemployment rate at the time of application, the required
6 minimum number of added employees is 5.

8
SUMMARY

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12 This bill proposes to expand the employment tax increment
13 financing program by permitting businesses in high unemployment
14 labor markets to qualify for the Maine Employment Tax Increment
15 Financing Program with lower numbers of additional new qualified
16 employees. Under current law, at least 15 new qualified
17 employees are required. Under this bill, businesses in labor
18 market areas with above average unemployment may qualify for the
19 program with 10 additional qualified employees. Businesses in
20 labor market areas with unemployment greater than 150% of the
 state average may qualify with 5 additional qualified employees.