## MAINE STATE LEGISLATURE

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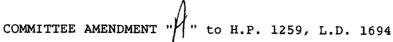
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L.D. 1694

2	DATE: 5-15-01 (Filing No. H-467)
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6	BUSINESS AND ECONOMIC DEVELOPMENT
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10	Reproduced and distributed under the direction of the Clerk of the House.
12	STATE OF MAINE
14	HOUSE OF REPRESENTATIVES 120TH LEGISLATURE
16	FIRST REGULAR SESSION
18	COMMITTEE AMENDMENT " to H.P. 1259, L.D. 1694, Bill, "A
20	Act to Amend the Finance Authority of Maine Act"
22	Amend the bill in section 19 in the first line (page 6, line 27 in L.D.) by inserting after the following: "sub-§2-A," the
24	following: ' $\P A$ ,'
26	Further amend the bill by inserting after section 19 the following:
28	'Sec. 20. 10 MRSA §1100-T, sub-§2-A, ¶C, as amended by Pl
30	1997, c. 774, §1, is further amended to read:
32	C. Aggregate investment eligible for tax credits may not be more than \$1,000,000 for any one <u>business for any one</u>
34	<pre>private venture capital fund as of the date of issuance of a tax credit certificate.'</pre>
36	Further amend the bill in section 21 in paragraph E in the
38	6th line from the end (page 7, line 42 in L.D.) by striking out the following: "or the" and inserting in its place the
40	following: 'er-the, whether made directly or through a'
42	Further amend the bill by inserting after section 29 the following:
44	'Sec. 30. 20-A MRSA §12504, last ¶, as amended by PL 1999, c
46	441, $\S 8$ , is repealed.'
48	Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to reac
EΩ	nonconsecutive Part letter of Section number to reac

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

FISCAL NOTE

REVENUES

General Fund

(\$3,963) (\$20,015)

The proposed changes to the Maine Seed Capital Tax Credit Program will decrease individual income tax collections by \$4,176 in fiscal year 2001-02 and \$21,091 in fiscal year 2002-03. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$213 and \$1,076, respectively. The resulting net reductions of General Fund revenue will be \$3,963 in fiscal year 2001-02 and \$20,015 in fiscal year

(213)

(1,076)

22 \$3,963 in fiscal year 2001-02 and \$20,015 in fiscal year
2002-03. The estimated future reductions of total collections in
24 fiscal years 2003-04 and 2004-05 will be approximately \$27,874

and \$4,371, respectively.

Other Funds

The additional costs associated with the enactment of certain changes to the Finance Authority of Maine Act can be absorbed by the Finance Authority of Maine utilizing existing budgeted resources.'

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## **SUMMARY**

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This amendment clarifies provisions of the Maine Seed Capital Tax Credit Program. It clarifies that private venture capital funds can invest in and receive credits for investments in multiple businesses, within certain limits. The amendment also clarifies that while a principal owner of a business may not receive a credit for the principal's own investment in the business, whether directly made or through a venture fund, only so much of the credit in a venture fund attributable to the investment in such principal's business would be ineligible. The amendment also strikes ambiguous and contradictory language from provisions that govern the Educators for Maine Program. It also adds a fiscal note to the bill.

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## COMMITTEE AMENDMENT