

# MAINE STATE LEGISLATURE

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RMS

L.D. 975

DATE: 1-27-04

(Filing No. S-362)

TAXATION  
REPORT "C"

Reported by:

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STATE OF MAINE  
SENATE  
121ST LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 316, L.D. 975, Bill, "An Act To Improve the Business Equipment Tax Reimbursement Program"

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

'Sec. 1. 36 MRSA §6652, sub-§2-A is enacted to read:

2-A. Limitation due to participation in tax increment financing. If a taxpayer participates in a municipal development district under Title 30-A, chapter 206, subchapter 1 and receives reimbursement under that subchapter for taxes paid on eligible property first placed in service after April 1, 2004, reimbursement under this chapter must be reduced to the extent necessary to ensure that the combined reimbursement under this chapter and Title 30-A, chapter 206, subchapter 1 does not exceed 100% of the taxes assessed for the eligible property.'

SUMMARY

This amendment is a minority report of the committee and provides that the limitation on reimbursement for eligible property that is also subject to reimbursement under a tax

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**RS**

COMMITTEE AMENDMENT "B" to S.P. 316, L.D. 975

2 increment financing agreement applies only to property first  
placed in service after April 1, 2004.

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**FISCAL NOTE REQUIRED**  
(See attached)

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**COMMITTEE AMENDMENT**

**121st Maine Legislature  
Office of Fiscal and Program Review**



**LD 975**

**An Act To Improve the Business Equipment Tax Reimbursement  
Program**

**LR 1548(03)**

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Taxation**

**Fiscal Note Required: No**

**Minority Report**

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**Fiscal Note**

No state fiscal impact.

**Fiscal Detail and Notes**

Reducing BETR reimbursement by the amount of benefits received from a tax increment financing (TIF) program for property placed in service after April 1, 2004 will eliminate the incentive for such provisions in TIFs in the future. Without these provisions, there will be no reduction in BETR expenditures.