

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 613

H.P. 446

House of Representatives, February 8, 2005

An Act To Provide Tax Incentives to Small Businesses That Employ At Least One Person

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative HANLEY of Gardiner.
Cosponsored by Senator COWGER of Kennebec and
Representatives: HARLOW of Portland, HOGAN of Old Orchard Beach, McCORMICK of
West Gardiner, NUTTING of Oakland, SCHATZ of Blue Hill.

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

4 **Sec. 1. 36 MRSA §6753, sub-§11**, as amended by PL 2001, c. 157,
§1, is further amended to read:

6 **11. Qualified business.** "Qualified business" means any
8 for-profit business in this State, other than a public utility as
10 defined by Title 35-A, section 102, that adds 5 or more qualified
12 employees above its base level of employment in this State within
any 2-year period commencing on or after January 1, 1996 or one
or more qualified employees above its base level of employment in
this State within any 2-year period commencing on or after
January 1, 2006 and that 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
18 than 50% of its total annual revenues from Maine-based
20 operations are derived from sales taxable in this State; or

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

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

32 **SUMMARY**

34 This bill amends the Maine Employment Tax Increment
Financing Act to change beginning January 1, 2006 from 5 to one
36 the number of qualified employees a business must add in order to
qualify for reimbursement of state income withholding taxes.