

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 684

S.P. 220

In Senate, February 8, 2005

### **An Act To Expand the Availability of Pine Tree Development Zone Benefits**

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Reference to the Committee on Business, Research and Economic Development 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 WOODCOCK of Franklin.

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

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**Sec. 1. 30-A MRSA §5223, sub-§3**, as amended by PL 2003, c. 451, Pt. NNN, §1, is further amended by amending the last paragraph to read:

The conditions in paragraphs A to D do not apply to approved downtown tax increment financing districts or tax increment financing districts included within the Pine Tree Development ~~Zones-designated-and-approved~~ Zone under subchapter 3 4.

**Sec. 2. 30-A MRSA §5250-I, sub-§2**, as enacted by PL 2003, c. 688, Pt. D, §2, is repealed.

**Sec. 3. 30-A MRSA §5250-I, sub-§13**, as enacted by PL 2003, c. 688, Pt. D, §2, is repealed and the following enacted in its place:

**13. Pine Tree Development Zone.** "Pine Tree Development Zone" or "zone" means the area in which zone benefits may be granted, which encompasses the entire State of Maine.

**Sec. 4. 30-A MRSA §5250-I, sub-§14, ¶A**, as enacted by PL 2003, c. 688, Pt. D, §2, is amended to read:

A. The exclusion from the limitations established under section 5223, subsection 3 of tax increment financing districts included within a the Pine Tree Development Zone;

**Sec. 5. 30-A MRSA §5250-I, sub-§16**, as enacted by PL 2003, c. 688, Pt. D, §2, is amended to read:

**16. Qualified business activity.** "Qualified business activity" means a business activity that is conducted within a the Pine Tree Development Zone and is directly related to financial services, manufacturing or a targeted technology business for which the business receives a certificate from the commissioner pursuant to section 5250-O.

**Sec. 6. 30-A MRSA §5250-J, sub-§§1 to 4**, as enacted by PL 2003, c. 688, Pt. D, §2, are repealed.

**Sec. 7. 30-A MRSA §5250-J, sub-§5**, as enacted by PL 2003, c. 688, Pt. D, §2, is amended to read:

**5. Termination.** All ~~Pine---Tree---Development---Zone designations---approved---under---this---subchapter---and---all~~ Pine Tree Development Zone benefits are terminated on December 31, 2018.

2           **Sec. 8. 30-A MRSA §5250-K, sub-§§1 to 3**, as enacted by PL 2003,  
c. 688, Pt. D, §2, are repealed.

4           **Sec. 9. 30-A MRSA §5250-K, sub-§4**, as enacted by PL 2003, c.  
688, Pt. D, §2, is amended to read:

6           **4. Administration of zone benefits.** The participating  
8 units of local government may contract or otherwise arrange with  
a public or private organization, including a regional council as  
10 described in section 2302, to administer activities authorized  
under this subchapter. The organization may act as the lead  
12 entity for the purpose of ~~applying-for-and~~ administering the Pine  
Tree Development Zone benefits.

14           **Sec. 10. 30-A MRSA §5250-K, sub-§5**, as enacted by PL 2003, c.  
16 688, Pt. D, §2, is repealed.

18           **Sec. 11. 30-A MRSA §5250-L**, as enacted by PL 2003, c. 688,  
Pt. D, §2, is repealed.

20           **Sec. 12. 30-A MRSA §5250-M**, as enacted by PL 2003, c. 688,  
22 Pt. D, §2, is amended to read:

24           **§5250-M. Program administration; rules**

26           The commissioner shall administer this subchapter. The  
commissioner shall adopt rules pursuant to the Maine  
28 Administrative Procedure Act for implementation of the Pine Tree  
Development ~~Zones~~ Zone, including, but not limited to, rules for  
30 ~~determining--and--certifying--eligibility--selecting--zones--for~~  
~~designation--and~~ evaluating on a periodic basis the progress and  
32 success of each the zone in achieving its goals. Rules adopted  
under this section are routine technical rules as defined in  
34 Title 5, chapter 375, subchapter 2-A.

36           **Sec. 13. 30-A MRSA §5250-P**, as enacted by PL 2003, c. 688,  
Pt. D, §2, is amended to read:

38           **§5250-P. Report**

40           By January 15, 2004, the commissioner shall report to the  
42 joint standing committee of the Legislature having jurisdiction  
over economic development matters regarding rulemaking and  
44 progress in implementing the Pine Tree Development ~~Zones~~ Zone.  
Not later than April 1, 2005 and April 1st of each odd-numbered  
46 year thereafter, the commissioner shall report to the joint  
standing committee of the Legislature having jurisdiction over  
48 economic development matters on the status of the Pine Tree  
Development ~~Zones~~ Zone.

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2           **Sec. 14. 36 MRSA §1760, sub-§86**, as amended by PL 2003, c.  
688, Pt. D, §3, is further amended to read:

4           **86. Construction contracts with qualified development zone**  
5 **businesses.** Beginning July 1, 2005, sales to a construction  
6 contractor of tangible personal property that is to be physically  
7 incorporated in, and become a permanent part of, real property  
8 that is owned by or for sale to a qualified Pine Tree Development  
9 Zone business, as defined in Title 30-A, section 5250-I,  
10 subsection 17, which real property will be used in the qualified  
11 business activity, as defined in Title 30-A, section 5250-I,  
12 subsection 16, of the qualified Pine Tree Development Zone  
13 business in a the Pine Tree Development Zone, as defined in Title  
14 30-A, section 5250-I, subsection 13. The exemption provided by  
15 this subsection is limited to sales to a construction contractor  
16 occurring within a period of 10 years from the date the qualified  
17 Pine Tree Development Zone business receiving the property is  
18 certified pursuant to Title 30-A, section 5250-O or until  
19 December 31, 2018, whichever occurs first.

20           **Sec. 15. 36 MRSA §2529, sub-§1, ¶¶A and B**, as amended by PL  
21 2003, c. 688, Pt. D, §4, are further amended to read:

22           A. One hundred percent of the tax associated with premiums  
23 sold by a qualified business located in a the Pine Tree  
24 Development Zone that would otherwise be due under this  
25 chapter for each of the first 5 taxable years that for which  
26 the taxpayer is required to file a return pursuant to this  
27 chapter beginning after the taxpayer commences its qualified  
28 business activity, as defined in Title 30-A, section 5250-I,  
29 subsection 16, and that are directly attributable to a  
30 qualified business activity; and  
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32           B. Fifty percent of the tax associated with premiums sold  
33 by a qualified business in a the Pine Tree Development Zone  
34 that would otherwise be due under this chapter for each of  
35 the taxable years beginning with the 6th taxable year and  
36 ending with the 10th taxable year that for which the  
37 taxpayer is required to file a return pursuant to this  
38 chapter after the taxpayer commences its qualified business  
39 activity, as defined in Title 30-A, section 5250-I,  
40 subsection 16, and that are attributable to a qualified  
41 business activity.  
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43           **Sec. 16. 36 MRSA §2529, sub-§2**, as amended by PL 2003, c. 688,  
44 Pt. D, §4, is repealed.  
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46           **Sec. 17. 36 MRSA §5219-W, sub-§1**, as amended by PL 2003, c.  
47 688, Pt. D, §5, is further amended to read:  
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2           **1. Credit allowed.** ~~Except as provided by subsection 2,~~ a A  
taxpayer that is a qualified Pine Tree Development Zone business  
4 as defined in Title 30-A, section 5250-I, subsection 17 is  
allowed a credit in the amount of:

6           A. One hundred percent of the tax that would otherwise be  
due under this Part for each of the first 5 taxable years  
8 that the taxpayer is required to file a return pursuant to  
this Part beginning after the taxpayer commences its  
10 qualified business activity, as defined in Title 30-A,  
section 5250-I, subsection 16; and

12           B. Fifty percent of the tax that would otherwise be due  
under this Part for each of the taxable years beginning with  
14 the 6th taxable year and ending with the 10th taxable year  
that the taxpayer is required to file a return pursuant to  
16 this Part after the taxpayer commences its qualified  
business activity, as defined in Title 30-A, section 5250-I,  
18 subsection 16.

20           **Sec. 18. 36 MRSA §5219-W, sub-§2,** as amended by PL 2003, c.  
22 688, Pt. D, §5, is repealed.

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#### SUMMARY

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This bill designates the entire State as the "Pine Tree  
28 Development Zone," enabling qualifying businesses anywhere in the  
State to access Pine Tree Development Zone benefits.