MAINE STATE LEGISLATURE

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1	L.D. 544
2	Date: 6/11/07 Majority TAXATION
3	TAXATION
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	123RD LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT "A" to H.P. 422, L.D. 544, Bill, "An Act To Provide Maine Land Conservation Tax Incentives"
11 12 13	Amend the bill in section 1 in §5219-BB in subsection 1 in the 4th line (page 1, line 7 in L.D.) by striking out the following: "2007" and inserting the following: '2009 and before January 1, 2014'
14 15	Amend the bill in section 1 in §5219-BB in subsection 1 in the 5th line (page 1, line 8 in L.D.) by striking out the following: "25%" and inserting the following: '15%'
16 17 18	Amend the bill in section 1 in §5219-BB in subsection 2 in the 2nd line (page 1, line 13 in L.D.) by striking out the following: "taxpayer's tax liability under this Part for the taxable year or if it exceeds the"
19 20	Amend the bill in section 1 in §5219-BB in subsection 2 in the 3rd line (page 1, line 14 in L.D.) by inserting after the following: "subsection" the following: '3 or'
21 22	Amend the bill in section 1 in §5219-BB by striking out subsections 3 and 4 and inserting the following:
23 24	'3. Refundability. The credit provided by this section is refundable up to 20% of the amount of the total credit for which the taxpayer is eligible in a taxable year.
25 26 27 28 29 30 31	4. Limitation. A gift or donation is eligible for a credit under this section only if it meets the requirements of rules adopted by the Commissioner of Conservation under this subsection. The Commissioner of Conservation shall adopt rules by February 1, 2008 to ensure that credits are provided in a manner that ensures that the public receives the maximum benefit for the forgone revenue and that the primary users of the credits are owners of smaller amounts of land. Rules adopted under this subsection are major substantive rules under Title 5, chapter 375, subchapter 2-A.'

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Amend the bill by inserting after section 1 the following:

COMMITTEE AMENDMENT " to H.P. 422, L.D. 544

	'Sec. 2.	Application.	This	Act applies	s to	tax	years	beginning	on or	after	January
2	1, 2009.'										

SUMMARY

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This amendment decreases the total amount of the credit from 25% to 15% of the value of the donation, provides that the credit is refundable up to 20% per year instead of being transferable and requires the Commissioner of Conservation to adopt major substantive rules to ensure maximum state benefit from the credit and to ensure that smaller landowners are the primary users of the credit. The amendment also provides that the credit begins with the 2009 tax year and expires after 5 years.

FISCAL NOTE REQUIRED (See attached)

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123rd MAINE LEGISLATURE

LD 544

LR 1468(02)

An Act To Provide Maine Land Conservation Tax Incentives

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

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)			*	•
General Fund	\$0	\$53,052	\$465,010	\$826,145
Appropriations/Allocations				
General Fund	\$0	\$0	\$57,121	\$52,715
Revenue	·			
General Fund	\$0	(\$53,052)	(\$407,889)	(\$773,430)
Other Special Revenue Funds	\$0	(\$2,851)	(\$22,374)	(\$42,424)

Fiscal Detail and Notes

Establishing a transferable income tax credit for certain conservation contributions will reduce General Fund revenue by an estimated \$53,052 in fiscal year 2008-09. Maine Revenue Services will also require a General Fund appropriation of \$57,121 in fiscal year 2009-10 and \$52,715 in fiscal year 2010-11 for the administrative costs associated with the new credit, including funds for one part-time Tax Analyst position.