

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 175

S.P. 61

January 21, 2009

An Act To Modify the Maine Seed Capital Tax Credit Program

Submitted by the Finance Authority of Maine pursuant to Joint Rule 204.
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 RECTOR of Knox.
Cosponsored by Representative CLEARY of Houlton and
Representatives: AUSTIN of Gray, COHEN of Portland, MacDONALD of Boothbay.

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

2 **Sec. 1. 10 MRSA §1100-T, sub-§2, ¶A**, as amended by PL 2003, c. 451, Pt. E,
3 §1, is further amended to read:

4 A. A tax credit certificate may be issued in an amount not more than 40% of the
5 amount of cash actually invested in an eligible Maine business in any calendar year
6 or in an amount not more than 60% of the amount of cash actually invested in any
7 one calendar year in an eligible Maine business located in a ~~high-unemployment area,~~
8 ~~as determined by rule by the authority~~ Pine Tree Development Zone as defined in
9 Title 30-A, section 5250-I, subsection 13. ~~Rules adopted pursuant to this section are~~
10 ~~routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.~~

11 **Sec. 2. 10 MRSA §1100-T, sub-§2-A, ¶A**, as amended by PL 2003, c. 451, Pt.
12 E, §4, is further amended to read:

13 A. A tax credit certificate may be issued to an individual who invests in a private
14 venture capital fund in an amount that:

15 (1) Is not more than 40% of the amount of cash actually invested in or
16 unconditionally committed to a private venture capital fund in any calendar year
17 by the individual or entity, except that with respect to fund investments that are
18 made in eligible businesses that are located in a ~~high-unemployment area~~ Pine
19 Tree Development Zone, ~~as determined by rule of the authority under subsection~~
20 ~~2 set forth in subparagraph (2)~~, the tax credit certificate may not be more than
21 60% of the cash actually invested in or unconditionally committed to a private
22 venture capital fund in any calendar year by the individual or entity; and

23 (2) Does not exceed 40% of the amount of cash invested by the fund in eligible
24 businesses, except that with respect to fund investments that are made in eligible
25 businesses that are located in a ~~high-unemployment area, as determined by rule of~~
26 ~~the authority under subsection 2~~ Pine Tree Development Zone as defined in Title
27 30-A, section 5250-I, subsection 13, a tax credit certificate may not be more than
28 60% of the cash invested by the fund in any calendar year in such businesses;
29 ~~provided that the~~ The authority may issue tax credit certificates in an amount
30 not to exceed 20% of the amount of cash actually invested in or unconditionally
31 committed to a private venture capital fund in any calendar year if the authority
32 determines that the private venture capital fund is located in this State, is owned
33 and controlled primarily by residents of this State and has designated investing in
34 eligible businesses of this State as a major investment objective. The credit may
35 be revoked to the extent that the private venture capital fund does not make
36 investments eligible for the tax credit in an amount sufficient to qualify for the
37 credits within 3 years after the date of the tax credit certificates. Notwithstanding
38 any revocation pursuant to this subparagraph, each investor remains eligible for
39 tax credit certificates for eligible investments as and when made by the private
40 venture capital fund.

41 The aggregate amount of credits issued to investors in a fund may not exceed 40% of
42 the amount of cash invested by the fund in eligible businesses, except that with
43 respect to fund investments in eligible businesses that are located in a high

1 unemployment area Pine Tree Development Zone as set forth in subparagraph (2), the
2 aggregate amount of tax credits issued to investors in a fund may not exceed 60% of
3 the cash invested by the fund in eligible businesses.

4 **Sec. 3. 10 MRSA §1100-T, sub-§7** is enacted to read:

5 **7. Rules.** Rules adopted pursuant to this section are routine technical rules as
6 defined in Title 5, chapter 375, subchapter 2-A.

7 **Sec. 4. Application.** This Act applies to tax credit certificates issued on or after
8 January 1, 2010 for investments made on or after January 1, 2010 in businesses that file
9 their initial application for participation in the Maine Seed Capital Tax Credit Program on
10 or after January 1, 2010.

11 SUMMARY

12 This bill modifies the Maine Seed Capital Tax Credit Program administered by the
13 Finance Authority of Maine by changing the requirements for increased credits from
14 businesses located in high unemployment areas to those located in areas of the State
15 classified as Pine Tree Development Zones.