

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1251

H.P. 870

House of Representatives, March 30, 2009

An Act To Reduce the Cost of Permitting of Business Development

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative VAN WIE of New Gloucester.
Cosponsored by Senator BOWMAN of York and
Representatives: BEAUDETTE of Biddeford, FITTS of Pittsfield, HINCK of Portland.

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

2 Sec. 1. 36 MRSA §5219-DD is enacted to read:

3 **§5219-DD. Environmental permitting credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings:

6 A. "Environmental permit" means a license or permit issued under:

7 (1) The waste discharge license laws, Title 38, section 413;

8 (2) The Natural Resources Protection Act;

9 (3) The site location of development laws, Title 38, chapter 3, subchapter 1,
10 article 6; or

11 (4) Air permitting programs under Title 38, chapter 4.

12 B. "New assessed value" means the amount of new taxable value, not including land,
13 that is constructed and in use during the year following the year in which an
14 environmental permit is issued.

15 C. "Qualifying expenditures" means expenditures for the preparation and submission
16 of information required by the Department of Environmental Protection to
17 demonstrate eligibility for an environmental permit including natural resource
18 inventories, water quality studies, predevelopment ambient air monitoring and
19 modeling, wildlife population and habitat studies and hydrological studies.
20 "Qualifying expenditures" does not include engineering studies, site surveying,
21 feasibility studies, economic analyses, design engineering, preparation of permit
22 applications, permit fees, pay-to-pollute discharge fees, mitigation studies or
23 mitigation costs.

24 **2. Credit allowed.** A credit is allowed against the tax otherwise due under this Part
25 for qualifying expenditures incurred in meeting the requirements for obtaining an
26 environmental permit. The credit is the lower of 50% of qualifying expenditures and:

27 A. For new assessed value from \$2,000,000 to \$10,000,000, \$50,000;

28 B. For new assessed value from \$10,000,001 to \$100,000,000, \$100,000; or

29 C. For new assessed value of over \$100,000,000, \$500,000.

30 **3. Limitations.** A credit is not allowed unless:

31 A. The environmental permit for which the qualifying expenditure was made is
32 granted;

33 B. The results of all studies for which qualifying expenditures are made are filed
34 with the Department of Environmental Protection and the University of Maine
35 System, Senator George J. Mitchell Center for Environmental and Watershed
36 Research and are available to the public; and

1 C. The amount of the qualifying expenditures and the amount of the credit are
2 certified by the Department of Environmental Protection and the Department of
3 Economic and Community Development.

4 **Sec. 2. Application.** This Act applies to environmental permits issued after June
5 30, 2011.

6 **SUMMARY**

7 This bill provides an income tax credit for certain studies, analyses and natural
8 resource inventories required as part of certain major state environmental permitting laws.
9 The credit is allowed only if the permit is granted and is based on the cost of the
10 qualifying expenditures and the amount of new property value created. The results of
11 studies must be available to the public.