

# MAINE STATE LEGISLATURE

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SMG  
R. OLS

L.D. 338

Date: 5-19-11

(Filing No. H-307)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
125TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to S.P. 100, L.D. 338, Bill, "An Act To Provide an Income Tax Credit for Logging Companies That Hire Maine Residents"

Amend the bill in section 1 in §5219-FF by striking out all of subsection 2 (page 1, lines 7 to 9 in L.D.) and inserting the following:

2. Amount of credit. The amount of the credit allowed under this section is equal to the tax paid during the taxable year under Parts 3 and 5 on internal combustion engine fuel, as defined in section 2902, subsection 3, and special fuel, as defined in section 3202, subsection 6, used by the employer for commercial forestry up to a maximum credit of \$2,500. The employer shall report the number of gallons purchased and the type of fuel purchased to the State Tax Assessor. For purposes of this subsection, "commercial forestry" means the cultivation, management, maintenance and development of forests; the harvesting of trees; and the transport of forest products as defined in section 1752, subsection 2-E.'

Amend the bill by inserting after section 1 the following:

**Sec. 2. Application.** This Act applies to tax years beginning on or after January 1, 2012.

**Sec. 3. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Revenue Services - Bureau of 0002**

Initiative: Appropriates funds for programming changes to tax forms to establish an income tax credit of up to \$2,500 based on fuel purchased by employers in the commercial forestry industry in the State who employ residents of the State for tax years beginning on or after January 1, 2012.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$22,000
	_____	_____

**HOUSE AMENDMENT**

R.O.F.S.

HOUSE AMENDMENT "A" to S.P. 100, L.D. 338

1 GENERAL FUND TOTAL \$0 \$22,000  
2

3 SUMMARY

4 This amendment replaces the per employee income tax credit to an employer in the  
5 logging industry that employs residents of the State to harvest timber in this State with a  
6 credit equal to the tax paid during the taxable year on fuel used by the employer for  
7 commercial forestry up to a maximum credit of \$2,500. The amendment also adds an  
8 appropriations and allocations section.

9 FISCAL NOTE REQUIRED

10 (See attached)

11 SPONSORED BY:  \_\_\_\_\_

12 (Representative MARTIN, J.)

13 TOWN: Eagle Lake



# 125th MAINE LEGISLATURE

LD 338

LR 1438(03)

## An Act To Provide an Income Tax Credit for Logging Companies That Hire Maine Residents

Fiscal Note for House Amendment "A"  
Sponsor: Rep. Martin of Eagle Lake  
Fiscal Note Required: Yes

### Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$73,245	\$314,600	\$289,645	\$287,945
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$22,000	\$0	\$0
<b>Revenue</b>				
General Fund	(\$73,245)	(\$292,600)	(\$289,645)	(\$287,945)
Other Special Revenue Funds	(\$3,855)	(\$15,400)	(\$15,235)	(\$15,155)

### Fiscal Detail and Notes

Establishing an income tax credit of up to \$2,500 based on internal combustion engine fuel purchased by employers in the commercial forestry industry in Maine who employ residents of the state for tax years beginning on or after January 1, 2012 will reduce General Fund revenue and reduce revenue sharing starting in fiscal year 2011-12. The bill as amended also includes a one-time General Fund appropriation in fiscal year 2012-13 for Maine Revenue Services to adapt tax forms for the new income tax credit. This fiscal note reflects the comprehensive impact of the bill with the House amendment added rather than just the incremental fiscal effect of the House amendment.