

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

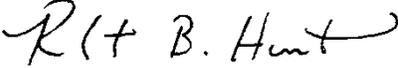
No. 498

H.P. 337

House of Representatives, February 24, 2015

An Act To Restore the Super Credit for Substantially Increased Research and Development

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative NUTTING of Oakland.
Cosponsored by Senator McCORMICK of Kennebec and
Representatives: CHACE of Durham, PICCHIOTTI of Fairfield, RUSSELL of Portland,
SKOLFIELD of Weld, Senator: KATZ of Kennebec.

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

2 **Sec. 1. 36 MRSA §5219-L, sub-§1**, as amended by PL 2013, c. 502, Pt. J, §1 and
3 affected by §3, is further amended to read:

4 **1. Super credit allowed for substantial expansions of research and development.**
5 ~~For tax years beginning before January 1, 2014, a~~ A taxpayer that qualifies for the
6 research expense tax credit allowed under section 5219-K is allowed an additional credit
7 against the tax due under this Part equal to the excess, if any, of qualified research
8 expenses for the taxable year over the super credit base amount. For purposes of this
9 section, "super credit base amount" means the average amount spent on qualified research
10 expenses by the taxpayer in the 3 taxable years immediately preceding the effective date
11 of this section, increased by 50%. For purposes of this section, "qualified research
12 expenses" has the same meaning as under the Code, Section 41 but applies only to
13 expenditures for research conducted in this State.

14 **Sec. 2. 36 MRSA §5219-L, sub-§3**, as amended by PL 2013, c. 502, Pt. J, §2 and
15 affected by §3, is further amended to read:

16 **3. Carry over to succeeding years.** A taxpayer entitled to a credit under this
17 section for any taxable year may carry over and apply to the tax due for any one or more
18 of the next succeeding ~~10~~ 5 taxable years the portion, as reduced from year to year, of any
19 unused credit, but in no event may the credit applied in any single year exceed ~~25%~~ 50%
20 of the taxpayer's tax due after the allowance of any other credits taken pursuant to this
21 chapter.

22 **Sec. 3. Retroactivity; application.** This Act applies retroactively to tax years
23 beginning on or after January 1, 2014.

24 **SUMMARY**

25 Under a tax credit that expired January 1, 2014, a taxpayer that qualified for a
26 research expense tax credit was allowed a so-called super credit for qualified research
27 expenses for research conducted in this State. A taxpayer was allowed to carry over any
28 unused credit for the next succeeding 10 years, except that the credit was limited to no
29 more than 25% of the taxpayer's tax due after the allowance of other tax credits.

30 This bill restores the availability of the super credit, retroactive to January 1, 2014,
31 restricts the carry-over period to 5 years and increases the limit on the credit to no more
32 than 50% of the taxpayer's tax due after the allowance of other tax credits.