

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1581

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H.P. 1088

House of Representatives, May 4, 2017

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**An Act To Simplify Maine Income Tax by Repealing or Terminating  
Certain Tax Credits and the Charitable Contribution Checkoff**

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative BICKFORD of Auburn.

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

2 **Sec. 1. 5 MRSA §13090-L, sub-§1**, as amended by PL 2009, c. 470, §1, is  
3 further amended to read:

4 **1. Generally.** A visual media production company that intends to undertake a visual  
5 media production in this State may apply to the department to have the production, or a  
6 portion of the production, certified under subsection 3 for purposes of the visual media  
7 production reimbursement pursuant to Title 36, chapter 919-A ~~and the credit under Title~~  
8 ~~36, section 5219-Y.~~

9 **Sec. 2. 5 MRSA §13090-L, sub-§3**, as amended by PL 2009, c. 470, §1, is  
10 further amended to read:

11 **3. Requirements for visual media production certificate.** Applications for a  
12 visual media production certificate must be made on a form prescribed and furnished by  
13 the department. The applicant must:

14 A. Provide the names of the principals involved in the visual media production and  
15 contact information for them;

16 B. Provide a certificate of insurance for the visual media production;

17 C. Provide financial information that demonstrates that the visual media production  
18 is fully financed and that at least \$75,000 of visual media production expense will be  
19 incurred for the visual media production certified in accordance with this subsection;

20 D. Provide data demonstrating that the visual media production will benefit the  
21 people of the State by increasing opportunities for employment and will strengthen  
22 the economy of the State;

23 E. Agree to include, in the certified visual media production, an on-screen credit for  
24 the State of Maine. The exact wording and size of that credit must be determined in  
25 rules adopted by the Maine State Film Office and the department. The Maine State  
26 Film Office or the department may, at its discretion, exempt visual media productions  
27 from this requirement. Rules adopted pursuant to this paragraph are routine technical  
28 rules as defined in chapter 375, subchapter 2-A;

29 F. Provide evidence that the visual media production company is not owned by,  
30 affiliated with or controlled by, in whole or in part, a person that is in default on a  
31 loan made by the State or a loan guaranteed by the State;

32 G. Provide any other information required by the department; and

33 H. Provide a projected schedule for preproduction, production and postproduction of  
34 the visual media production that shows that the production will begin within 60 days  
35 after certification pursuant to this subsection.

36 To qualify for a visual media production certificate, a visual media production company  
37 must demonstrate to the satisfaction of the commissioner that the visual media production  
38 company has met, or will meet, the requirements of this subsection. If the department  
39 determines that the applicant does not qualify for a visual media production certificate, it

1 must inform the applicant of that determination in writing within 4 weeks of receiving the  
2 application. As soon as practicable, the department shall issue a visual media production  
3 certificate for a visual media production that qualifies. The department shall include with  
4 the certificate information regarding the ~~tax credit~~ report under subsection 4 and  
5 procedures for claiming reimbursement under Title 36, chapter 919-A ~~and the credit~~  
6 ~~under Title 36, section 5219-Y.~~

7 **Sec. 3. 5 MRSA §13090-L, sub-§5**, as amended by PL 2009, c. 470, §1, is  
8 further amended to read:

9 **5. Department to provide information to State Tax Assessor.** The department  
10 shall provide to the State Tax Assessor copies of the visual media production certificate  
11 issued pursuant to subsection 3, together with any other information reasonably required  
12 by the State Tax Assessor for the administration of visual media production  
13 reimbursement under Title 36, chapter 919-A ~~and the credit under Title 36, section~~  
14 ~~5219-Y.~~

15 **Sec. 4. 5 MRSA §13090-L, sub-§7**, as enacted by PL 2009, c. 470, §1, is  
16 amended to read:

17 **7. Report.** The Maine State Film Office shall submit a report by January 15th  
18 annually to the joint standing committee of the Legislature having jurisdiction over  
19 taxation matters regarding the certification and reporting process pursuant to this section  
20 and the visual media production ~~tax credit and~~ reimbursement activities pursuant to ~~Title~~  
21 ~~36, section 5219-Y and~~ Title 36, chapter 919-A. The report must include a description of  
22 any rule-making activity related to the implementation of the ~~credit and~~ reimbursement  
23 activities, outreach efforts to visual media production companies, the number of  
24 applications for the visual media production ~~credit and tax~~ reimbursement, the number of  
25 ~~credits and~~ reimbursements granted, the revenue loss associated with the ~~credit and~~  
26 reimbursement and the amount of visual media production expenses generated in the  
27 State as a result of the ~~credit and~~ reimbursement.

28 **Sec. 5. 12 MRSA c. 903, sub-c. 8**, as amended, is repealed.

29 **Sec. 6. 36 MRSA §191, sub-§2, ¶MM**, as amended by PL 2009, c. 652, Pt. A,  
30 §51, is further amended to read:

31 MM. The disclosure to an authorized representative of the Department of Economic  
32 and Community Development of information required for the administration of ~~the~~  
33 ~~visual media production credit under section 5219-Y~~, the employment tax increment  
34 financing program under chapter 917, the visual media production reimbursement  
35 program under chapter 919-A or the Pine Tree Development Zone program under  
36 Title 30-A, chapter 206, subchapter 4;

37 **Sec. 7. 36 MRSA §191, sub-§2, ¶BBB**, as enacted by PL 2015, c. 490, §4, is  
38 repealed.

39 **Sec. 8. 36 MRSA §5122, sub-§1, ¶EE**, as amended by PL 2011, c. 644, §13, is  
40 repealed.

1           **Sec. 9. 36 MRSA §5122, sub-§1, ¶GG**, as amended by PL 2015, c. 1, §2, is  
2 repealed.

3           **Sec. 10. 36 MRSA §5122, sub-§1, ¶KK**, as enacted by PL 2015, c. 490, §7, is  
4 repealed.

5           **Sec. 11. 36 MRSA §5122, sub-§2, ¶U**, as amended by PL 2005, c. 622, §27 and  
6 c. 644, §5; PL 2011, c. 657, Pt. W, §§5 and 7; and PL 2013, c. 405, Pt. A, §23, is further  
7 amended to read:

8           U. For income tax years beginning on or after January 1, 2015, the gain attributable  
9 to the sale of sustainably managed, eligible timberlands as calculated in this  
10 paragraph.

11           (1) As used in this paragraph, unless the context otherwise indicates, the  
12 following terms have the following meanings.

13           (a) "Commercial harvesting" or "commercially harvested" means the  
14 harvesting of forest products that have commercial value.

15           (b) "Eligible timberlands" means land of at least 10 acres located in the State  
16 and used primarily for the growth of trees to be commercially harvested.  
17 Land that would otherwise be included within this definition may not be  
18 excluded because of:

19           (i) Use of the land for multiple public recreation activities;

20           (ii) Statutory or governmental restrictions that prevent commercial  
21 harvesting of trees or require a primary use of the land other than  
22 commercial harvesting;

23           (iii) Deed restrictions, restrictive covenants or organizational charters  
24 that prevent commercial harvesting of trees or require a primary use of  
25 land other than commercial harvesting and that were effective prior to  
26 January 1, 1982; or

27           (iv) Past or present multiple use for mineral exploration.

28           (c) "Forest products that have commercial value" means logs, pulpwood,  
29 veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel  
30 wood, Christmas trees, maple syrup, nursery products used for ornamental  
31 purposes, wreaths, bough material or cones or other seed products.

32           (d) "Sustainably managed" means:

33           (i) A forest management and harvest plan, as defined in section 573,  
34 subsection 3-A, has been prepared for the eligible timberlands and has  
35 been in effect for the entire time period used to compute the amount of  
36 the subtraction modification under this paragraph; and

37           (ii) The taxpayer has received a written statement from a licensed  
38 forester certifying that, as of the time of the sale, the eligible timberlands  
39 have been managed in accordance with the plan under subdivision (i)  
40 during that period.

1 (2) To the extent they are included in the taxpayer's federal adjusted gross  
2 income, the following amounts must be subtracted from federal adjusted gross  
3 income:

4 (a) For eligible timberlands held by the taxpayer for at least a 10-year period  
5 beginning on or after January 1, 2005 but less than an 11-year period  
6 beginning on or after January 1, 2005, 1/15 of the gain recognized on the sale  
7 of the eligible timberlands; or

8 (b) For eligible timberlands held by the taxpayer for at least an 11-year  
9 period beginning on or after January 1, 2005 but less than a 12-year period  
10 beginning on or after January 1, 2005, 2/15 of the gain recognized on the sale  
11 of the eligible timberlands; or

12 ~~(c) For eligible timberlands held by the taxpayer for at least a 12-year period~~  
13 ~~beginning on or after January 1, 2005 but less than a 13-year period~~  
14 ~~beginning on or after January 1, 2005, 1/5 of the gain recognized on the sale~~  
15 ~~of the eligible timberlands;~~

16 ~~(d) For eligible timberlands held by the taxpayer for at least a 13-year period~~  
17 ~~beginning on or after January 1, 2005 but less than a 14-year period~~  
18 ~~beginning on or after January 1, 2005, 4/15 of the gain recognized on the sale~~  
19 ~~of the eligible timberlands;~~

20 ~~(e) For eligible timberlands held by the taxpayer for at least a 14-year period~~  
21 ~~beginning on or after January 1, 2005 but less than a 15-year period~~  
22 ~~beginning on or after January 1, 2005, 1/3 of the gain recognized on the sale~~  
23 ~~of the eligible timberlands;~~

24 ~~(f) For eligible timberlands held by the taxpayer for at least a 15-year period~~  
25 ~~beginning on or after January 1, 2005 but less than a 16-year period~~  
26 ~~beginning on or after January 1, 2005, 2/5 of the gain recognized on the sale~~  
27 ~~of the eligible timberlands;~~

28 ~~(g) For eligible timberlands held by the taxpayer for at least a 16-year period~~  
29 ~~beginning on or after January 1, 2005 but less than a 17-year period~~  
30 ~~beginning on or after January 1, 2005, 7/15 of the gain recognized on the sale~~  
31 ~~of the eligible timberlands;~~

32 ~~(h) For eligible timberlands held by the taxpayer for at least a 17-year period~~  
33 ~~beginning on or after January 1, 2005 but less than an 18-year period~~  
34 ~~beginning on or after January 1, 2005, 8/15 of the gain recognized on the sale~~  
35 ~~of the eligible timberlands;~~

36 ~~(i) For eligible timberlands held by the taxpayer for at least an 18-year~~  
37 ~~period beginning on or after January 1, 2005 but less than a 19-year period~~  
38 ~~beginning on or after January 1, 2005, 3/5 of the gain recognized on the sale~~  
39 ~~of the eligible timberlands;~~

40 ~~(j) For eligible timberlands held by the taxpayer for at least a 19-year period~~  
41 ~~beginning on or after January 1, 2005 but less than a 20-year period~~  
42 ~~beginning on or after January 1, 2005, 2/3 of the gain recognized on the sale~~  
43 ~~of the eligible timberlands;~~

1 ~~(k) For eligible timberlands held by the taxpayer for at least a 20-year period~~  
2 ~~beginning on or after January 1, 2005 but less than a 21-year period~~  
3 ~~beginning on or after January 1, 2005, 11/15 of the gain recognized on the~~  
4 ~~sale of the eligible timberlands;~~

5 ~~(l) For eligible timberlands held by the taxpayer for at least a 21-year period~~  
6 ~~beginning on or after January 1, 2005 but less than a 22-year period~~  
7 ~~beginning on or after January 1, 2005, 4/5 of the gain recognized on the sale~~  
8 ~~of the eligible timberlands;~~

9 ~~(m) For eligible timberlands held by the taxpayer for at least a 22-year~~  
10 ~~period beginning on or after January 1, 2005 but less than a 23-year period~~  
11 ~~beginning on or after January 1, 2005, 13/15 of the gain recognized on the~~  
12 ~~sale of the eligible timberlands;~~

13 ~~(n) For eligible timberlands held by the taxpayer for at least a 23-year period~~  
14 ~~beginning on or after January 1, 2005 but less than a 24-year period~~  
15 ~~beginning on or after January 1, 2005, 14/15 of the gain recognized on the~~  
16 ~~sale of the eligible timberlands; or~~

17 ~~(o) For eligible timberlands held by the taxpayer for at least a 24-year period~~  
18 ~~beginning on or after January 1, 2005, all of the gain recognized on the sale~~  
19 ~~of the eligible timberlands.~~

20 (3) Taxpayers claiming this credit must attach a sworn statement from a forester  
21 licensed pursuant to Title 32, chapter 76 that the timberlands for which the credit  
22 is claimed have been managed sustainably. For the purposes of this  
23 subparagraph, "sustainably" means that the timberlands for which the credit is  
24 claimed have been managed to protect soil productivity and to maintain or  
25 improve stand productivity and timber quality; known occurrences of threatened  
26 or endangered species and rare or exemplary natural communities; significant  
27 wildlife habitat and essential wildlife habitat; and water quality, wetlands and  
28 riparian zones.

29 Upon request of the State Tax Assessor, the Director of the Bureau of Forestry  
30 within the Department of Agriculture, Conservation and Forestry may provide  
31 assistance in determining whether timberlands for which the credit is claimed  
32 have been managed sustainably. When assistance is requested under this  
33 subparagraph, the director or the director's designee may enter and examine the  
34 timberlands for the purpose of determining whether the timberlands have been  
35 managed sustainably.

36 In the case of timberlands owned by an entity that is treated as a pass-through entity  
37 for income tax purposes, the land must be treated as eligible timberland if ownership  
38 and use of the land by the pass-through entity satisfies the requirements of this  
39 paragraph. If the owner of the eligible timberlands is an S corporation, the taxpayer  
40 must subtract the owner's pro rata share of the gain. If the owner of the timberlands  
41 is a partnership or limited liability company taxed as a partnership, the taxpayer must  
42 subtract the taxpayer's distributive share of the gain, subject to the percentage  
43 limitations provided in this paragraph.

1 This modification may not reduce Maine taxable income to less than zero. To the  
2 extent this modification results in Maine taxable income that is less than zero for the  
3 taxable year, the excess negative modification amount may be carried forward and  
4 applied as a subtraction modification for up to 10 taxable years. The entire amount of  
5 the excess negative modification must be carried to the earliest of the taxable years to  
6 which, by reason of this subsection, the negative modification may be carried and  
7 then to each of the other taxable years to the extent the unused negative modification  
8 is not used for a prior taxable year. Earlier carry-forward modifications must be used  
9 before newer modifications generated in later years. Except for unused modifications  
10 carried forward to subsequent tax years, the subtraction modification allowed under  
11 this paragraph does not apply to tax years beginning on or after January 1, 2017;

12 **Sec. 12. 36 MRSA §5125, sub-§3, ¶C**, as amended by PL 2015, c. 494, Pt. A,  
13 §45, is further amended to read:

14 C. Reduced by any amount of deduction attributable to income taxable to financial  
15 institutions under chapter 819; and

16 **Sec. 13. 36 MRSA §5125, sub-§3, ¶D**, as repealed and replaced by PL 2015, c.  
17 494, Pt. A, §46, is amended to read:

18 D. Reduced by any amount attributable to interest or expenses incurred in the  
19 production of income exempt from tax under this Part; ~~and.~~

20 **Sec. 14. 36 MRSA §5125, sub-§3, ¶G**, as enacted by PL 2015, c. 340, §3 and  
21 affected by §5, is repealed.

22 **Sec. 15. 36 MRSA §5200-A, sub-§1, ¶X**, as amended by PL 2011, c. 644, §20,  
23 is repealed.

24 **Sec. 16. 36 MRSA §5200-A, sub-§1, ¶Z**, as amended by PL 2015, c. 1, §8, is  
25 repealed.

26 **Sec. 17. 36 MRSA §5200-A, sub-§2, ¶P**, as amended by PL 2007, c. 539, Pt.  
27 CCC, §16; PL 2011, c. 657, Pt. W, §§5 and 7; and PL 2013, c. 405, Pt. A, §23, is further  
28 amended to read:

29 P. For income tax years beginning on or after January 1, 2015, the gain attributable  
30 to the sale of sustainably managed, eligible timberlands as calculated pursuant to this  
31 paragraph.

32 (1) As used in this paragraph, unless the context otherwise indicates, the  
33 following terms have the following meanings.

34 (a) "Commercial harvesting" or "commercially harvested" means the  
35 harvesting of forest products that have commercial value.

36 (b) "Eligible timberlands" means land of at least 10 acres located in the State  
37 and used primarily for the growth of trees to be commercially harvested.  
38 Land that would otherwise be included within this definition may not be  
39 excluded because of:



- 1 (i) Use of the land for multiple public recreation activities;
- 2 (ii) Statutory or governmental restrictions that prevent commercial  
3 harvesting of trees or require a primary use of the land other than  
4 commercial harvesting;
- 5 (iii) Deed restrictions, restrictive covenants or organizational charters  
6 that prevent commercial harvesting of trees or require a primary use of  
7 land other than commercial harvesting and that were effective prior to  
8 January 1, 1982; or
- 9 (iv) Past or present multiple use for mineral exploration.
- 10 (c) "Forest products that have commercial value" means logs, pulpwood,  
11 veneer, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel  
12 wood, Christmas trees, maple syrup, nursery products used for ornamental  
13 purposes, wreaths, bough material or cones or other seed products.
- 14 (d) "Sustainably managed" means:
- 15 (i) A forest management and harvest plan, as defined in section 573,  
16 subsection 3-A, has been prepared for the eligible timberlands and has  
17 been in effect for the entire time period used to compute the amount of  
18 the subtraction modification under this paragraph; and
- 19 (ii) The taxpayer has received a written statement from a licensed  
20 forester certifying that, as of the time of the sale, the eligible timberlands  
21 have been managed in accordance with the plan under subdivision (i)  
22 during that period.
- 23 (2) To the extent included in the taxpayer's taxable income under the laws of the  
24 United States, the taxable income of the taxpayer under the laws of the United  
25 States must be decreased by:
- 26 (a) For eligible timberlands held by the taxpayer for at least a 10-year period  
27 beginning on or after January 1, 2005 but less than an 11-year period  
28 beginning on or after January 1, 2005, 1/15 of the gain recognized on the sale  
29 of the eligible timberlands; or
- 30 (b) For eligible timberlands held by the taxpayer for at least an 11-year  
31 period beginning on or after January 1, 2005 but less than a 12-year period  
32 beginning on or after January 1, 2005, 2/15 of the gain recognized on the sale  
33 of the eligible timberlands; and
- 34 ~~(c) For eligible timberlands held by the taxpayer for at least a 12-year period~~  
35 ~~beginning on or after January 1, 2005 but less than a 13-year period~~  
36 ~~beginning on or after January 1, 2005, 1/5 of the gain recognized on the sale~~  
37 ~~of the eligible timberlands;~~
- 38 ~~(d) For eligible timberlands held by the taxpayer for at least a 13-year period~~  
39 ~~beginning on or after January 1, 2005 but less than a 14-year period~~  
40 ~~beginning on or after January 1, 2005, 4/15 of the gain recognized on the sale~~  
41 ~~of the eligible timberlands;~~

- 1 ~~(e) For eligible timberlands held by the taxpayer for at least a 14-year period~~  
2 ~~beginning on or after January 1, 2005 but less than a 15-year period~~  
3 ~~beginning on or after January 1, 2005, 1/3 of the gain recognized on the sale~~  
4 ~~of the eligible timberlands;~~
- 5 ~~(f) For eligible timberlands held by the taxpayer for at least a 15-year period~~  
6 ~~beginning on or after January 1, 2005 but less than a 16-year period~~  
7 ~~beginning on or after January 1, 2005, 2/5 of the gain recognized on the sale~~  
8 ~~of the eligible timberlands;~~
- 9 ~~(g) For eligible timberlands held by the taxpayer for at least a 16-year period~~  
10 ~~beginning on or after January 1, 2005 but less than a 17-year period~~  
11 ~~beginning on or after January 1, 2005, 7/15 of the gain recognized on the sale~~  
12 ~~of the eligible timberlands;~~
- 13 ~~(h) For eligible timberlands held by the taxpayer for at least a 17-year period~~  
14 ~~beginning on or after January 1, 2005 but less than an 18-year period~~  
15 ~~beginning on or after January 1, 2005, 8/15 of the gain recognized on the sale~~  
16 ~~of the eligible timberlands;~~
- 17 ~~(i) For eligible timberlands held by the taxpayer for at least an 18-year~~  
18 ~~period beginning on or after January 1, 2005 but less than a 19-year period~~  
19 ~~beginning on or after January 1, 2005, 3/5 of the gain recognized on the sale~~  
20 ~~of the eligible timberlands;~~
- 21 ~~(j) For eligible timberlands held by the taxpayer for at least a 19-year period~~  
22 ~~beginning on or after January 1, 2005 but less than a 20-year period~~  
23 ~~beginning on or after January 1, 2005, 2/3 of the gain recognized on the sale~~  
24 ~~of the eligible timberlands;~~
- 25 ~~(k) For eligible timberlands held by the taxpayer for at least a 20-year period~~  
26 ~~beginning on or after January 1, 2005 but less than a 21-year period~~  
27 ~~beginning on or after January 1, 2005, 11/15 of the gain recognized on the~~  
28 ~~sale of the eligible timberlands;~~
- 29 ~~(l) For eligible timberlands held by the taxpayer for at least a 21-year period~~  
30 ~~beginning on or after January 1, 2005 but less than a 22-year period~~  
31 ~~beginning on or after January 1, 2005, 4/5 of the gain recognized on the sale~~  
32 ~~of the eligible timberlands;~~
- 33 ~~(m) For eligible timberlands held by the taxpayer for at least a 22-year~~  
34 ~~period beginning on or after January 1, 2005 but less than a 23-year period~~  
35 ~~beginning on or after January 1, 2005, 13/15 of the gain recognized on the~~  
36 ~~sale of the eligible timberlands;~~
- 37 ~~(n) For eligible timberlands held by the taxpayer for at least a 23-year period~~  
38 ~~beginning on or after January 1, 2005 but less than a 24-year period~~  
39 ~~beginning on or after January 1, 2005, 14/15 of the gain recognized on the~~  
40 ~~sale of the eligible timberlands; or~~
- 41 ~~(o) For eligible timberlands held by the taxpayer for at least a 24-year period~~  
42 ~~beginning on or after January 1, 2005, all of the gain recognized on the sale~~  
43 ~~of the eligible timberlands.~~

1 (3) Taxpayers claiming this credit must attach a sworn statement from a forester  
2 licensed pursuant to Title 32, chapter 76 that the timberlands for which the credit  
3 is claimed have been managed sustainably. For the purposes of this  
4 subparagraph, "sustainably" means that the timberlands for which the credit is  
5 claimed have been managed to protect soil productivity and to maintain or  
6 improve stand productivity and timber quality; known occurrences of threatened  
7 or endangered species and rare or exemplary natural communities; significant  
8 wildlife habitat and essential wildlife habitat; and water quality, wetlands and  
9 riparian zones.

10 Upon request of the State Tax Assessor, the Director of the Bureau of Forestry  
11 within the Department of Agriculture, Conservation and Forestry may provide  
12 assistance in determining whether timberlands for which the credit is claimed  
13 have been managed sustainably. When assistance is requested under this  
14 subparagraph, the director or the director's designee may enter and examine the  
15 timberlands for the purpose of determining whether the timberlands have been  
16 managed sustainably.

17 In the case of timberlands owned by an entity that is treated as a pass-through entity  
18 for income tax purposes, the land must be treated as eligible timberland if ownership  
19 and use of the land by the pass-through entity satisfies the requirements of this  
20 paragraph. If the owner of the eligible timberlands is an S corporation, the taxpayer  
21 must subtract the owner's pro rata share of the gain. If the owner of the timberlands  
22 is a partnership or limited liability company taxed as a partnership, the taxpayer must  
23 subtract the taxpayer's distributive share of the gain, subject to the percentage  
24 limitations provided in this paragraph.

25 This modification may not reduce Maine taxable income to less than zero. To the  
26 extent this modification results in Maine taxable income that is less than zero for the  
27 taxable year, the excess negative modification amount may be carried forward and  
28 applied as a subtraction modification for up to 10 taxable years. The entire amount of  
29 the excess negative modification must be carried to the earliest of the taxable years to  
30 which, by reason of this subsection, the negative modification may be carried and  
31 then to each of the other taxable years to the extent the unused negative modification  
32 is not used for a prior taxable year. Earlier carry-forward modifications must be used  
33 before newer modifications generated in later years. Except for unused modifications  
34 carried forward to subsequent tax years, the subtraction modification allowed under  
35 this paragraph does not apply to tax years beginning on or after January 1, 2017;

36 **Sec. 18. 36 MRSA §5216-D, sub-§1, ¶A**, as enacted by PL 2011, c. 380, Pt.  
37 HHHH, §3, is amended to read:

38 A. "Certificate" means a tax credit certificate issued by the Department of Inland  
39 Fisheries and Wildlife pursuant to former Title 12, chapter 903, subchapter 8.

40 **Sec. 19. 36 MRSA §5216-D, sub-§2**, as enacted by PL 2011, c. 380, Pt. HHHH,  
41 §3, is amended to read:

42 **2. Credit.** An investor is entitled to a credit against the tax otherwise due under this  
43 Part equal to the amount of the tax credit certificate issued by the Department of Inland

1 Fisheries and Wildlife in accordance with former Title 12, section 10331 and as limited  
2 by subsection 3. In the case of partnerships, limited liability companies, S corporations,  
3 nontaxable trusts and any other entities that are treated as pass-through entities for tax  
4 purposes under the Code, but not including pass-through entities taxed under chapter 819,  
5 the individual partners, members, stockholders, beneficiaries or equity owners of such  
6 entities must be treated as the investors under this section and are allowed a credit against  
7 the tax otherwise due from them under this Part in proportion to their respective interests  
8 in those partnerships, limited liability companies, S corporations, nontaxable trusts or  
9 other pass-through entities. Except as limited or authorized by subsection 3 or 4, 25% of  
10 the credit must be taken in the taxable year the investment is made and 25% per year  
11 must be taken in each of the next 3 taxable years.

12 **Sec. 20. 36 MRSA §5216-D, sub-§7** is enacted to read:

13 **7. Termination of credit.** Except for the credit allowed with respect to the carry-  
14 over of unused credit amounts pursuant to subsection 4, the tax credit allowed under this  
15 section is not available for tax years beginning on or after January 1, 2017.

16 **Sec. 21. 36 MRSA §5218-A**, as enacted by PL 2015, c. 340, §4 and affected by  
17 §5, is repealed.

18 **Sec. 22. 36 MRSA §5219-Y**, as amended by PL 2011, c. 240, §37, is repealed.

19 **Sec. 23. 36 MRSA §5219-FF, sub-§5** is enacted to read:

20 **5. Termination of credit.** Except for the credit allowed with respect to the carry-  
21 over of unused credit amounts pursuant to subsection 4, the credit allowed under this  
22 section is not available for tax years beginning on or after January 1, 2017.

23 **Sec. 24. 36 MRSA §5219-NN**, as enacted by PL 2015, c. 490, §8, is repealed.

24 **Sec. 25. 36 MRSA §5219-NN**, as enacted by PL 2015, c. 503, §1, is repealed.

25 **Sec. 26. 36 MRSA §5283-A, sub-§1**, as enacted by PL 2011, c. 685, §3, is  
26 repealed.

27 **Sec. 27. 36 MRSA §5284**, as amended by PL 2011, c. 685, §4, is repealed.

28 **Sec. 28. 36 MRSA §5284-A**, as amended by PL 2011, c. 685, §5, is repealed.

29 **Sec. 29. 36 MRSA §5285**, as amended by PL 2011, c. 685, §6, is repealed.

30 **Sec. 30. 36 MRSA §5285-A**, as amended by PL 2011, c. 685, §7, is repealed.

31 **Sec. 31. 36 MRSA §5288-A**, as amended by PL 2011, c. 685, §8, is repealed.

32 **Sec. 32. 36 MRSA §5289**, as amended by PL 2011, c. 685, §9, is repealed.

33 **Sec. 33. 36 MRSA §5290**, as amended by PL 2011, c. 685, §10, is repealed.

1 **Sec. 34. 36 MRSA §5291**, as enacted by PL 2011, c. 685, §11, is repealed.

2 **Sec. 35. Application.** Those sections of this Act that repeal the Maine Revised  
 3 Statutes, Title 12, chapter 903, subchapter 8 and Title 36, section 191, subsection 2,  
 4 paragraph BBB; section 5122, subsection 1, paragraphs EE, GG and KK; section 5125,  
 5 subsection 3, paragraph G; section 5200-A, subsection 1, paragraphs X and Z; section  
 6 5218-A; section 5219-Y; section 5219-NN as enacted by Public Law 2015, chapter 503,  
 7 section 1; section 5219-NN as enacted by Public Law 2015, chapter 490, section 8;  
 8 section 5283-A, subsection 1; section 5284; section 5284-A; section 5285; section  
 9 5285-A; section 5288-A; section 5289; section 5290; and section 5291 and amend Title 5,  
 10 section 13090-L, subsections 1, 3, 5 and 7; and Title 36, section 191, subsection 2,  
 11 paragraph MM and section 5216-D, subsection 1, paragraph A and subsection 2 apply to  
 12 tax years beginning on or after January 1, 2017.

13 **Sec. 36. Appropriations and allocations.** The following appropriations and  
 14 allocations are made.

15 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
 16 **Revenue Services, Bureau of 0002**

17 Initiative: Eliminates funding for the Maine Military Family Relief Fund.

|    |                                   |                |                |
|----|-----------------------------------|----------------|----------------|
| 18 |                                   |                |                |
| 19 | <b>GENERAL FUND</b>               | <b>2017-18</b> | <b>2018-19</b> |
| 20 | Maine Military Family Relief Fund | (\$5,000)      | (\$5,000)      |
| 21 |                                   |                |                |
| 22 | GENERAL FUND TOTAL                | (\$5,000)      | (\$5,000)      |

23 **SUMMARY**

24 This bill does the following.

25 1. It repeals the Maine Fishery Infrastructure Tax Credit Program and terminates the  
 26 availability of the corresponding tax credit and related individual and corporate income  
 27 tax addition modifications for tax years beginning on or after January 1, 2017, except that  
 28 unused credit amounts from prior tax years carried forward by the taxpayer may be used.

29 2. It terminates the availability of the tax credit for wellness programs and repeals  
 30 the related income tax addition modifications for tax years beginning on or after January  
 31 1, 2017, except that unused credit amounts from prior tax years carried forward by the  
 32 taxpayer may be used.

33 3. It repeals, for tax years beginning on or after January 1, 2017, the individual and  
 34 corporate income tax subtraction modifications for gain attributable to the sale of eligible  
 35 timberlands.

1           4. It repeals the tax credit for adult dependent care expenses and the related  
2 adjustment to Maine itemized deductions for tax years beginning on or after January 1,  
3 2017.

4           5. It repeals the certified visual media production tax credit for tax years beginning  
5 on or after January 1, 2017 and removes related cross-references to that credit.

6           6. It repeals the tax credit for modifications to a homestead to make it accessible to  
7 an individual with a disability or physical hardship for tax years beginning on or after  
8 January 1, 2017 and removes a related cross-reference to that credit.

9           7. It repeals the tax credit for disability income protection plans in the workplace for  
10 tax years beginning on or after January 1, 2017 and removes related cross-references to  
11 that credit.

12           8. It repeals the voluntary charitable contribution checkoffs, and the requirement that  
13 the State Tax Assessor include the checkoffs on the tax form, for the Maine Endangered  
14 and Nongame Wildlife Fund, the Companion Animal Sterilization Fund, the Maine  
15 Children's Trust Incorporated, the Bone Marrow Screening Fund, the Maine Military  
16 Family Relief Fund, the Maine Veterans' Memorial Cemetery Maintenance Fund, the  
17 Maine Asthma and Lung Disease Research Fund and the Maine Public Library Fund  
18 from Maine individual income tax forms for tax years beginning on or after January 1,  
19 2017 and eliminates funding for the Maine Military Family Relief Fund due to the  
20 elimination of the checkoff for that fund. The checkoff for the Maine Clean Election  
21 Fund is not affected by this bill.