

MAINE STATE LEGISLATURE

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Date: 3/17/20

(Filing No. S-450)

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STATE OF MAINE
SENATE
129TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1213, L.D. 1698, Bill, "An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts"

Amend the amendment in section 1 in the first line (page 1, line 14 in amendment) by striking out the following: "HHH" and inserting the following: 'LLL'

Amend the amendment in section 1 in paragraph HHH in the first line (page 1, line 15 in amendment) by striking out the following: "HHH" and inserting the following: 'LLL'

Amend the amendment in section 1 in paragraph HHH in the 3rd line (page 1, line 17 in amendment) by striking out the following: "5219-VV" and inserting the following: '5219-XX'

Amend the amendment by inserting after paragraph HHH the following:

'Amend the bill in section 1 in subsection 5 in the last line (page 1, line 7 in L.D.) by striking out the following: "2020" and inserting the following: '2021'

Amend the bill in section 2 in the first line (page 1, line 8 in L.D.) by striking out the following: "5219-VV" and inserting the following: '5219-XX'

Amend the bill in section 2 in §5219-VV in the first line (page 1, line 9 in L.D.) by striking out the following: "5219-VV" and inserting the following: '5219-XX'

Amend the amendment by inserting after subparagraph (4) the following:

'Amend the bill in section 2 in §5219-VV by striking out subsections 2 and 3 (page 1, lines 33 to 36 and page 2, lines 1 to 20 in L.D.) and inserting the following:

'2. Credit allowed. A taxpayer engaged in the production of renewable chemicals in the State is allowed a credit against the tax imposed by this Part on income derived during the taxable year from the production of renewable chemicals in the amount of 8¢ per pound of renewable chemical as long as the taxpayer demonstrates to the Department of Economic and Community Development that the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals are 3rd-party certified by the Northeast Master Logger program or successor program.

1 If the taxpayer does not contract directly with those hired or retained to harvest the
2 renewable biomass, the taxpayer may obtain the necessary documentation of compliance
3 under this subsection from the landowner or other entity that contracts directly.'

4 Amend the bill in section 2 in §5219-VV in subsection 4 in the first line (page 2, line
5 21 in L.D.) by striking out the following: "either subsection 2 or 3" and inserting the
6 following: 'subsection 2'

7 Amend the bill in section 2 in §5219-VV in the last indented paragraph (page 2, line
8 32 in L.D.) by striking out the following: "2020" and inserting the following: '2021'

9 Amend the bill in section 2 in §5219-VV by renumbering the subsections to read
10 consecutively.

11 Amend the bill in section 3 in the 3rd line (page 2, line 35 in L.D.) by striking out the
12 following: "5219-VV" and inserting the following: '5219-XX' '

13 SUMMARY

14 This amendment incorporates the substance of House Amendment "A" except that it
15 requires the taxpayer to demonstrate to the Department of Economic and Community
16 Development that all contractors hired or retained to harvest renewable biomass used in
17 the production of the renewable chemicals are 3rd-party certified by the Northeast Master
18 Logger program or successor program.

19 SPONSORED BY: James E. Dill

20 (Senator DILL)

21 COUNTY: Penobscot

FISCAL NOTE REQUIRED
(See attached)



129th MAINE LEGISLATURE

LD 1698

LR 1741(09)

An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Dill of Penobscot (S-450)

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$0	(\$45,125)	\$10,575
Revenue				
General Fund	\$0	\$0	\$45,125	(\$10,575)
Other Special Revenue Funds	\$0	\$0	\$2,375	(\$298)

Fiscal Detail and Notes

This amendment changes the criteria of eligibility for the tax credit by eliminating the requirement that 75% of employees of contractors meet certain eligibility conditions and instead requiring contractors to be 3rd-party certified by the Northeast Master Logger program. This amendment retains the delay of the application date one year from on or after January 1, 2020 to on or after January 1, 2021. This completely restores the revenue loss in fiscal year 2021-22. It is anticipated that more contractors would qualify for the tax credit. This would increase the revenue loss already in the bill by an estimated \$10,575 in fiscal year 2022-23. The revenue loss in the Local Government Fund would also increase by small amounts.