

MAINE STATE LEGISLATURE

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Date: 6/2/21

(Filing No. S-138)

TAXATION

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**STATE OF MAINE
SENATE
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 97, L.D. 229, "An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 10 MRSA §1100-T, sub-§2, ¶C, as amended by PL 2019, c. 616, Pt. LL, §2, is further amended to read:

C. Aggregate investment eligible for tax credits may not be more than \$5,000,000 for any one business as of the date of issuance of a tax credit certificate. Beginning with investments made on or after April 1, 2020, aggregate investment eligible for tax credits may not be more than \$3,500,000 for any one business as of the date of issuance of a tax credit certificate and not more than \$2,000,000 for any calendar year. Notwithstanding the other provisions of this paragraph, with respect to a business that was approved by the authority as an eligible business under this subsection before April 1, 2020, the aggregate investment eligible for tax credits may not be more than \$5,000,000 for that business as of the date of the issuance of the tax credit certificate, and the \$2,000,000 annual limitation does not apply.

Sec. 2. 10 MRSA §1100-T, sub-§2-C, ¶C, as amended by PL 2019, c. 616, Pt. LL, §7, is further amended to read:

C. Aggregate investment eligible for tax credit certificates, including investments under this subsection and under subsection 2, may not be more than \$5,000,000 for any one eligible business. Beginning with investments made on or after April 1, 2020, aggregate investment eligible for tax credit certificates, including investments under this subsection and under subsection 2, may not be more than \$3,500,000 for any one eligible business in total and not more than \$2,000,000 for any calendar year. Notwithstanding the other provisions of this paragraph, with respect to a business that was approved by the authority as an eligible business under this subsection before April 1, 2020, the aggregate investment eligible for tax credits may not be more than

COMMITTEE AMENDMENT



130th MAINE LEGISLATURE

LD 229

LR 435(02)

An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-138)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Potential reduction in number of businesses that receive tax credit - Maine Seed Capital Tax Credit Program

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$360,937	\$721,875	\$712,500	\$712,500
Revenue				
General Fund	(\$360,937)	(\$721,875)	(\$712,500)	(\$712,500)
Other Special Revenue Funds	(\$14,063)	(\$28,125)	(\$37,500)	(\$37,500)

Fiscal Detail and Notes

Providing that the annual \$2.0 million limitation on the amount of investments eligible for tax credits for any one business in any calendar year under the Maine Seed Capital Tax Credit Program, administered by the Finance Authority of Maine (FAME) does not apply to investments approved prior to April 1, 2020 may result in fewer eligible businesses receiving tax credits than would have received them absent this legislation. Under current law the total tax credits for the Maine Seed Capital Tax Credit Program that FAME may issue is \$15.0 million for calendar year 2020 through calendar year 2026 and is reduced to \$5.0 million annually beginning in calendar year 2027.

The bill makes changes to the seed capital tax credit program and will result in a reduction in General Fund revenue of \$360,937 in fiscal year 2021-22 and \$721,875 in fiscal year 2022.23. It will also reduce Local Government Fund revenue by \$14,063 in fiscal year 2021-22 and \$28,125 in fiscal year 2022-23.