

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 730

S.P. 281

In Senate, March 5, 2021

**An Act To Protect Economic Competitiveness in Maine by
Extending the End Date for Pine Tree Development Zone Benefits**

Received by the Secretary of the Senate on March 3, 2021. Referred to the Committee on Innovation, Development, Economic Advancement and Business pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator DAUGHTRY of Cumberland.

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

2 **Sec. 1. 30-A MRSA §5250-J, sub-§5**, as amended by PL 2017, c. 440, §3, is
3 further amended to read:

4 **5. Termination.** A qualified Pine Tree Development Zone business located in a tier
5 1 location may not be certified under this subchapter after December 31, ~~2021~~ 2024, and a
6 qualified Pine Tree Development Zone business located in a tier 2 location may not be
7 certified under this subchapter after December 31, 2013. All Pine Tree Development Zone
8 benefits provided under this subchapter are terminated on December 31, ~~2031~~ 2034.

9 **Sec. 2. 35-A MRSA §3210-E, sub-§6**, as amended by PL 2017, c. 440, §6, is
10 further amended to read:

11 **6. Repeal.** This section is repealed December 31, ~~2031~~ 2034.

12 **Sec. 3. 36 MRSA §1760, sub-§87**, as amended by PL 2017, c. 440, §7, is further
13 amended to read:

14 **87. Sales of tangible personal property and transmission and distribution of**
15 **electricity to qualified development zone businesses.** Beginning July 1, 2005, sales of
16 tangible personal property, and of the transmission and distribution of electricity, to a
17 qualified Pine Tree Development Zone business, as defined in Title 30-A, section 5250-I,
18 subsection 17, for use directly and primarily in one or more qualified business activities, as
19 defined in Title 30-A, section 5250-I, subsection 16. The exemption provided by this
20 subsection is limited for each qualified Pine Tree Development Zone business to sales
21 occurring within a period of 10 years in the case of a business located in a tier 1 location,
22 as defined in Title 30-A, section 5250-I, subsection 21-A, and 5 years in the case of a
23 business located in a tier 2 location, as defined in Title 30-A, section 5250-I, subsection
24 21-B, from the date the business is certified pursuant to Title 30-A, section 5250-O or until
25 December 31, ~~2031~~ 2034, whichever occurs first. For a business that applies for
26 certification as a qualified Pine Tree Development Zone business with the Commissioner
27 of Economic and Community Development on or after January 1, 2019, the exemption
28 provided by this subsection requires a qualified Pine Tree Development Zone business to
29 obtain a certificate of qualification issued by the Commissioner of Economic and
30 Community Development pursuant to Title 30-A, section 5250-O. As used in this
31 subsection, "primarily" means more than 50% of the time during the period that begins on
32 the date on which the property is first placed in service by the purchaser and ends 2 years
33 from that date or at the time the property is sold, scrapped, destroyed or otherwise
34 permanently removed from service by the purchaser, whichever occurs first.

35 **Sec. 4. 36 MRSA §2016, sub-§4, ¶A**, as amended by PL 2017, c. 440, §10, is
36 further amended to read:

37 A. Reimbursements made by the assessor pursuant to subsection 2, paragraph A are
38 limited to taxes paid in connection with sales of tangible personal property that occur
39 within a period of 10 years in the case of a qualified Pine Tree Development Zone
40 business located in a tier 1 location, as defined in Title 30-A, section 5250-I, subsection
41 21-A, and 5 years in the case of a qualified Pine Tree Development Zone business
42 located in a tier 2 location, as defined in Title 30-A, section 5250-I, subsection 21-B,
43 from the date the qualified Pine Tree Development Zone business receiving the

1 property is certified pursuant to Title 30-A, section 5250-O or by December 31, ~~2031~~
2 2034, whichever occurs first.

3 **Sec. 5. 36 MRSA §2529, sub-§3**, as amended by PL 2017, c. 440, §11, is further
4 amended to read:

5 **3. Limitation.** The credit provided by this section may not be claimed for calendar
6 years beginning on or after January 1, ~~2032~~ 2035.

7 **Sec. 6. 36 MRSA §5219-W, sub-§4**, as amended by PL 2017, c. 440, §12, is further
8 amended to read:

9 **4. Limitation.** The credit provided by this section may not be claimed for tax years
10 beginning on or after January 1, ~~2032~~ 2035.

11 **Sec. 7. 36 MRSA §6754, sub-§1, ¶D**, as amended by PL 2017, c. 440, §13, is
12 further amended to read:

13 D. For qualified Pine Tree Development Zone employees, as defined in Title 30-A,
14 section 5250-I, subsection 18, employed directly in the qualified business activity of a
15 qualified Pine Tree Development Zone business, as defined in Title 30-A, section
16 5250-I, subsection 17, for whom a certificate of qualification has been issued in
17 accordance with Title 30-A, section 5250-O, the reimbursement under this subsection
18 is equal to 80% of Maine income tax withheld each year for which reimbursement is
19 requested and attributed to those qualified employees for a period of no more than 10
20 years for a tier 1 location as defined in Title 30-A, section 5250-I, subsection 21-A and
21 no more than 5 years for a tier 2 location as defined in Title 30-A, section 5250-I,
22 subsection 21-B. Reimbursement under this paragraph may not be paid for years
23 beginning after December 31, ~~2031~~ 2034.

24 **SUMMARY**

25 This bill changes the date after which a qualified Pine Tree Development Zone business
26 in a tier 1 location may not be certified from December 31, 2021 to December 31, 2024. It
27 also changes the date that all Pine Tree Development Zone benefits are terminated from
28 December 31, 2031 to December 31, 2034 and makes corresponding changes in several
29 sections of law.