

MAINE STATE LEGISLATURE

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TAXATION

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STATE OF MAINE

SENATE

130TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 682, L.D. 1941, "An Act To Clarify and Update the Maine Seed Capital Tax Credit Program"

Amend the bill by striking out the title and substituting the following:

'Resolve, Establishing the Working Group To Review and Recommend Improvements to the Seed Capital Investment Tax Credit'

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

'Sec. 1. Working Group To Review and Recommend Improvements to the Seed Capital Investment Tax Credit established. Resolved: That the Working Group To Review and Recommend Improvements to the Seed Capital Investment Tax Credit, referred to in this resolve as "the working group," is established.

Sec. 2. Membership. Resolved: That the working group consists of 9 members appointed as follows:

1. Three members of the Senate appointed by the President of the Senate, including 2 members from the party holding the largest number of seats in the Legislature and one member who is not from the party holding the largest number of seats in the Legislature. Of these 3 members, one member must be a member of the Government Oversight Committee, one member must be a member of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business and one member must be a member of the Joint Standing Committee on Taxation; and

2. Six members of the House of Representatives appointed by the Speaker of the House, including 3 members from the party holding the largest number of seats in the Legislature and 3 members who are not from the party holding the largest number of seats in the Legislature. Of these 6 members, 2 members must be members of the Government Oversight Committee, 2 members must be members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business and 2 members must be members of the Joint Standing Committee on Taxation.

COMMITTEE AMENDMENT

1 **Sec. 3. Working group chairs. Resolved:** That the first-named Senate member
2 is the Senate chair of the working group and the first-named member of the House is the
3 House chair of the working group.

4 **Sec. 4. Appointments; convening of working group. Resolved:** That all
5 appointments must be made no later than 30 days following the effective date of this
6 resolve. The appointing authorities shall notify the Executive Director of the Legislative
7 Council once all appointments have been made. When the appointment of all members has
8 been completed, the chairs of the working group shall call and convene the first meeting of
9 the working group. If 30 days or more after the effective date of this resolve a majority of
10 but not all appointments have been made, the chairs may request authority and the
11 Legislative Council may grant authority for the working group to meet and conduct its
12 business.

13 **Sec. 5. Duties. Resolved:** That the working group shall examine and make
14 recommendations regarding the need for legislation to clarify and update the seed capital
15 investment tax credit. In its work, the working group shall consider:

16 1. The provisions of the Maine Revised Statutes, Title 10, section 1100-T and Title
17 36, section 5216-B governing the seed capital investment tax credit;

18 2. The August 2021 report of the Office of Program Evaluation and Government
19 Accountability titled "Evaluation of the Maine Seed Capital Tax Credit" including the
20 recommendations made in that report; and

21 3. Input from taxpayers claiming the seed capital investment tax credit and
22 stakeholders engaged in the administration of the credit, including but not limited to the
23 Department of Administrative and Financial Services, Bureau of Revenue Services, the
24 Department of Economic and Community Development, the Finance Authority of Maine
25 and other state agencies.

26 The working group shall make recommendations, including any appropriate changes
27 to the Maine Revised Statutes, for improvements to the seed capital investment tax credit
28 to ensure it meets the purposes and goals of the Legislature and contains provisions
29 necessary for the appropriate evaluation of the credit under the Maine Revised Statutes,
30 Title 3, chapter 37.

31 **Sec. 6. Staff assistance. Resolved:** That the Legislative Council shall provide
32 necessary staffing services to the working group, except that the Legislative Council staff
33 support is not authorized when the Legislature is in regular or special session. The
34 Department of Administrative and Financial Services, Bureau of Revenue Services, the
35 Department of Economic and Community Development and the Finance Authority of
36 Maine shall provide to the working group any nonconfidential information requested by
37 the working group regarding the seed capital investment tax credit.

38 **Sec. 7. Report. Resolved:** That, no later than November 2, 2022, the working
39 group shall submit a report that includes its findings and recommendations, including
40 suggested legislation, to the First Regular Session of the 131st Legislature.'

41 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
42 number to read consecutively.

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SUMMARY

This amendment replaces the bill with a resolve establishing the Working Group To Review and Recommend Improvements to the Seed Capital Investment Tax Credit. The working group is directed to make recommendations, including any appropriate changes to the Maine Revised Statutes, for improvements to the seed capital investment tax credit to ensure it meets the purposes and goals of the Legislature and contains provisions necessary for the appropriate evaluation of the credit under the Maine Revised Statutes, Title 3, chapter 37.

FISCAL NOTE REQUIRED

(See attached)



130th MAINE LEGISLATURE

LD 1941

LR 2143(02)

An Act To Clarify and Update the Maine Seed Capital Tax Credit Program

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-430)**Committee: Taxation****Fiscal Note Required: Yes**

Fiscal Note

Legislative Cost/Study

Legislative Cost/Study

The general operating expenses of this study are projected to be \$4,750 in fiscal year 2022-23. The Legislature's budget for the 2022-2023 biennium includes an estimated \$6,108 in fiscal year 2021-22 and \$10,000 in fiscal year 2022-23 for the costs of legislative studies, as well as \$31,260 of balances carried over from prior years for this purpose. Whether these amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature. The additional costs of providing staffing assistance to the study during the interim can be absorbed utilizing existing budgeted staff resources.

Fiscal Detail and Notes

Additional costs to the Department of Economic and Community Development, the Department of Administrative and Financial Services and the Finance Authority of Maine to provide information requested by the working group can be absorbed within each agency's existing budgeted resources.