

MAINE STATE LEGISLATURE

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Date: 4/12/24

(Filing No. S-704)

MAJORITY

TAXATION

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STATE OF MAINE

SENATE

131ST LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 975, L.D. 2258, "An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility to Keep the Team in the State"

Amend the bill by striking out all of sections 1 and 2 and inserting the following:

'Sec. 1. 36 MRSA §191, sub-§2, ¶UUU is enacted to read:

UUU. The disclosure to the joint standing committee of the Legislature having jurisdiction over taxation matters pursuant to section 5219-BBB, subsection 4, paragraph C of the revenue loss, including the loss due to refundable credits, attributable to each taxpayer claiming the tax credit for investment in qualified professional baseball facilities in the State provided under section 5219-BBB.'

Amend the bill in section 3 in §5219-BBB in subsection 1 by striking out all of paragraph E (page 2, lines 1 to 6 in L.D.) and inserting the following:

'E. "Qualified investment" means an expenditure made directly by a qualified applicant between October 1, 2023 and November 30, 2026 of at least \$1,000,000 to design, permit, construct, modify, equip or expand a qualified professional baseball facility. The expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made.'

Amend the bill in section 3 in §5219-BBB in subsection 2 in paragraph A in the last line (page 2, line 18 in L.D.) by inserting after the following: "or" the following: 'the minimum wage required by the municipality, whichever is'

Amend the bill in section 3 in §5219-BBB in subsection 2 in paragraph C in the last line (page 2, line 30 in L.D.) by inserting after the following: "applicant," the following: 'A certified applicant and other entities, whether or not incorporated, that are part of a single business enterprise may receive only one certificate of completion pursuant to this subsection.'

COMMITTEE AMENDMENT

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Amend the bill in section 3 in §5219-BBB by striking out all of subsection 3 (page 3, lines 8 to 12 in L.D.) and inserting the following:

3. Refundable tax credit allowed. Beginning with the tax year during which a certificate of completion is issued under subsection 2, paragraph C but not before a tax year beginning in 2025, and for each of the following 14 tax years, a certified applicant is allowed a credit against the tax otherwise due under this Part for the taxable year in an amount equal to 1.33% of the certified applicant's qualified investment. A credit under this section for a certified applicant may not exceed \$133,000 per year and \$1,995,000 in cumulative total. The credit allowed under this section is refundable.'

Amend the bill in section 3 in §5219-BBB in subsection 4 in paragraph C in the 4th line (page 3, line 42 in L.D.) by striking out the following: "certified applicant" and inserting the following: 'taxpayer'

Amend the bill in section 3 in §5219-BBB by striking out all of subsection 5 (page 4, lines 6 to 14 in L.D.) and inserting the following:

5. Recapture. If the qualified investment forming the basis of the credit is not used as a qualified professional baseball facility by the certified applicant or a transferee approved pursuant to subsection 2, paragraph D, the following provisions apply.

A. During the first 60 months following the receipt of the certificate of completion, if the certified applicant or transferee fails to use the qualified investment forming the basis of the credit as a qualified professional baseball facility for the entire 60-month period, the credit allowed under this section must be fully recaptured to the extent claimed by the taxpayer. The credit must be recaptured by adding to the tax imposed on the certified applicant or transferee for the taxable year in which the qualified investment is no longer used as a qualified professional baseball facility by the certified applicant or transferee an amount equal to the total amount of credit authorized minus the amount of credit not yet taken.

B. If the qualified investment forming the basis of the credit is not used as a qualified professional baseball facility by the certified applicant or a transferee following the first 60 months following the receipt of the certificate of completion, the certified applicant or transferee is not eligible for the credit for that tax year and the certified applicant or transferee is not eligible for the credit for any tax year thereafter that the certified applicant or transferee fails to use the qualified investment as a qualified professional baseball facility.'

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

SUMMARY

This amendment changes the maximum amount of the investment credit in the bill from \$100,000 per year and \$1,000,000 in total to \$133,000 per year and \$1,995,000 in total; limits the number of years over which the credit may be claimed to 15 years; and changes the calculation of the credit from 10% to 1.33% per year of the qualified investment. The amendment requires that during the first 60 months following the investment, if the taxpayer fails to continue operations as a professional baseball facility, the applicant forfeits the entire credit taken. After the first 60 months, if the taxpayer fails to continue

COMMITTEE AMENDMENT "A" to S.P. 975, L.D. 2258 (S-704)

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operations as a professional baseball facility during any year, the applicant is ineligible for any future credit until the taxpayer continues operations as a professional baseball facility. The amendment adds a provision authorizing the disclosure to the joint standing committee of the Legislature having jurisdiction over taxation matters of certain information relating to taxpayers claiming the credit and removes provisions in the bill providing income tax modifications for certain taxpayers receiving the investment credit. The amendment also clarifies provisions relating to administration of the investment credit.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 2258

LR 2856(02)

An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility to Keep the Team in the State

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-704)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$0	\$159,350	\$126,350
Appropriations/Allocations				
General Fund	\$0	\$0	\$33,000	\$0
Revenue				
General Fund	\$0	\$0	(\$126,350)	(\$126,350)
Other Special Revenue Funds	\$0	\$0	(\$6,650)	(\$6,650)

Fiscal Detail and Notes

Providing an income tax credit for qualified investment in a qualified professional baseball facility in the State beginning in tax year 2025 will decrease General Fund revenue by \$126,350 and decrease Local Government Fund revenue by \$6,650 beginning in fiscal year 2025-26. The Department of Administrative and Financial Services, Bureau of Revenue Services will require a one-time General Fund appropriation of \$33,000 in fiscal year 2025-26 for computer programming costs associated with the new credit.

Additional costs to the Department of Economic and Community Development associated with the certification of qualified applicants can be absorbed within existing budgeted resources.