

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE

FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987

SECOND SPECIAL SESSION

October 21, 1987 to November 20, 1987

and the

SECOND REGULAR SESSION

January 6, 1988 to May 5, 1988

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1988

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
FIRST AND SECOND SPECIAL SESSIONS
and
SECOND REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

Sec. 3. 36 MRSA §581, last paragraph, as enacted by PL 1981, c. 517, §12, is amended to read:

Any municipality which receives a penalty for the withdrawal of land from taxation under this chapter shall report to the State Tax Assessor annually the total amount received on the municipal valuation return form described in section 383. For tax years beginning on or after April 1, 1987, 40% of the amount thus collected shall be sent to the State Tax Assessor within 7 days of collection. For tax years beginning on or after April 1, 1988, 65% of the amount thus collected shall be sent to the State Tax Assessor within 7 days of collection. For tax years beginning on or after April 1, 1989, 90% of the total amount thus collected shall be sent to the State Tax Assessor within 7 days of collection. The State Tax Assessor shall use these funds to reduce the amount of General Fund appropriations provided for Tree Growth Reimbursement.

Sec. 4. **Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1988-89
<u>FINANCE, DEPARTMENT OF</u>	
Bureau of Taxation	
Tree Growth Tax Reimbursement	
All Other	\$300,000
Effective August 4, 1988.	

CHAPTER 853

H.P. 1422 — L.D. 1933

AN ACT Relating to Geographic Isolation Grants.

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

Sec. 1. 20-A MRSA §15612, first ¶, as amended by PL 1985, c. 797, §60, is further amended to read:

Adjustments to the state share of the foundation allocation shall be made as allowed in subsections 1 to 4 for each school administrative unit that has raised the maximum regardless of the amount of raised for its local share of the foundation allocation for operating costs.

Sec. 2. **Effective date.** This Act shall take effect on July 1, 1989.

Effective July 1, 1989.

CHAPTER 854

H.P. 1730 — L.D. 2373

AN ACT Establishing the Maine Seed Capital Tax Credit Program.

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

Sec. 1. 10 MRSA c. 109, as amended, is repealed.

Sec. 2. 10 MRSA c. 110, sub-c. IX is enacted to read:

SUBCHAPTER IX

MAINE SEED CAPITAL TAX CREDIT PROGRAM

§1100-T. Tax credit certificates

1. **Legislative findings; authorization.** The Legislature finds that the growth of new small businesses in the State results in increased job opportunities for Maine residents, produces more spending in the State and increases municipal tax bases. Businesses which export their products or services out of the State bring capital into the State and help to develop export markets for Maine products. Small new businesses can provide significant economic benefits to the State provided that they can obtain sufficient seed equity financing to carry them from start-up through the initial development phases of a business. In order to encourage the increased availability of risk equity capital to these early-growth stage enterprises, the authority is authorized to issue certificates of eligibility for the seed capital investment tax credit permitted by Title 36, section 5216-B, subject to the requirements of this section. This program shall be known as the Maine Seed Capital Tax Credit Program.

2. **Eligibility for tax credit certificate.** The authority shall adopt rules in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, to implement the program. Without limitation, the requirements for eligibility for a tax credit certificate includes the following.

A. A tax credit certificate may be issued in an amount not more than 30% of the amount of cash actually invested in a Maine business in any calendar year.

B. The Maine business must provide a product or service which is sold or rendered, or is projected to be sold or rendered, predominantly outside of the State, as determined by the authority. Businesses which bring products into the State and then sell the same products outside the State are not eligible. Construction, transportation, financial services, insurance and real estate businesses are not eligible. Other service businesses are eligible provided that the customers are predominantly out of the State and the employment functions are carried out predominantly in the State.

C. Aggregate investment eligible for tax credits shall not be less than \$25,000 nor more than \$250,000 for any one business as of the date of issuance of a tax credit certificate.