

MAINE STATE LEGISLATURE

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LAWS

OF THE

STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FOURTEENTH LEGISLATURE

FIRST REGULAR SESSION

December 7, 1988 to July 1, 1989

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
SEPTEMBER 30, 1989

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

J.S. McCarthy Company
Augusta, Maine
1989

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
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ONE HUNDRED AND FOURTEENTH LEGISLATURE
1989

and plan shall guide funding decisions and activities of the board. The board shall hold public hearings to gain insight into research needs for the State.

1989-90 1990-91

2. Data base. The board shall develop, maintain and periodically publish a bibliography of research relevant to the Gulf of Maine. The board shall encourage integrated management of data relating to state coastal waters and the Gulf of Maine.

3. Facility needs. Subject to the availability of funds, the board may develop a facility needs plan for the support of marine research within the State that shall identify and focus attention on specific facility needs with the objective of fostering cooperation within the marine research community. The plan shall be completed by October 1, 1990 or as soon thereafter as the availability of funding permits and may be developed with the help of contractual services. This plan shall not prohibit agencies from addressing specific safety problems within their facilities.

4. Other activities. The board may sponsor and conduct conferences or publish periodic reports relating to marine research.

5. Cooperation. The board shall strive to coordinate its programs with existing policies and programs in the field of marine research.

§13129. Marine research grants program

The board may develop and administer a competitive, merit-based grant program to address marine research needs for the State as set forth in section 13127, subsection 1. Operation of the program and awards of grants under this program are subject to available funding.

1. Grant criteria. The board shall develop, and the commission shall approve, criteria for awarding grants under this program. Criteria shall include, but not be limited to, the quality of the research proposal and the ability of the organization to carry out the proposed research.

2. Peer review. All proposals for funding shall be subject to peer review by a panel of experts in the field of marine research who are not employed by or affiliated with marine research institutions within the State. The commission, upon recommendation of the board, may contract with another entity to coordinate the peer review process.

3. Grant decisions. The board shall make the final decision for awarding grants under this program. The board shall make competitive evaluations and may award grants that conform to the granting criteria and are consistent with the research priorities statement and action plan developed under section 13128.

Sec. 3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

EXECUTIVE DEPARTMENT

Maine Science and Technology Commission

Positions	(1)	(1)
Personal Services	\$15,449	\$20,599
All Other	6,000	5,500
Capital Expenditures	2,000	

Provides funds to establish the Marine Research Board within the Maine Science and Technology Commission. These funds shall be used for a Clerk Typist II position and general operating expenses to assist the board in carrying out its duties.

EXECUTIVE DEPARTMENT

TOTAL	\$23,449	\$26,099
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See title page for effective date.

CHAPTER 530

H.P. 461 - L.D. 626

An Act to Encourage Industry to Maintain and Modernize Machinery and Equipment

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

Sec. 1. 5 MRSA §1515, sub-§3 is enacted to read:

3. Carry-forward. Any funds appropriated to the Corporate Income Tax Investment Credit Fund program, along with any interest earnings, shall not lapse, but shall be carried forward until June 30, 1991. These funds shall be used to offset the credits established in Title 36, section 5219-C.

Sec. 2. 36 MRSA §5219-C is enacted to read:

§5219-C. Investment tax credit

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Directly" has the same meaning as defined in section 1752, subsection 2-A.

B. "Investment credit base" means the total original basis, without adjustment, for federal income tax purposes, of the taxpayer of all machinery and equipment which was placed in service for the first time in this State by the taxpayer or other person during any of the prior 3 taxable years, excluding the basis of machinery and equipment placed in service in this State prior to January 1, 1989. In the case of a

combined report, the term investment credit base means the sum of the investment credit bases for all corporations included in the report.

C. "Machinery and equipment" means machinery and equipment as defined in section 1752, subsection 7-B, with a situs in Maine as of the last day of the immediately prior taxable year:

(1) Which was subject to an allowance for depreciation under the Code by the taxpayer as of the last day of the immediately prior taxable year or would have been subject to an allowance for depreciation under the Code by the taxpayer as of that date, but for the fact that the property had been fully depreciated; and

(2) Which is used directly and primarily in the production of tangible personal property, which property is intended to be sold or leased ultimately for final use or consumption.

D. "Primarily" has the same meaning as defined in section 1752, subsection 9-A.

E. "Production" has the same meaning as defined in section 1752, subsection 9-B.

2. Credit allowed. A taxpayer is allowed a credit against the tax imposed by this Part for each taxable year equal to 1.5% of the investment credit base of the taxpayer. In the case of an affiliated group of corporations engaged in a unitary business, the credit shall be applied against the total tax liability of all the taxable corporations in the affiliated group and shall be apportioned among those taxable corporations in the same proportion as the tax liability of each taxable corporation bears to the total tax liability of all the taxable corporations.

3. Limitation. The credit allowed by subsection 2 for the taxable year, plus any credit carry-forward or carry-back to the taxable year allowed by subsection 5, shall not exceed so much of the tax liability of the taxpayer, or the total tax liability of all taxable corporations that are members of an affiliated group engaged in a unitary business, for the taxable year as does not exceed \$25,000 plus 75% of so much of the tax liability for the taxable year as exceeds \$25,000. When the limitation provided in this subsection is exceeded, carry-forwards are applied first, credits under subsection 2 for the taxable year are applied second and carry-backs are applied last. Carry-forwards from an earlier unused credit year are applied before carry-forwards from a later unused credit year and carry-backs from an earlier unused credit year are used before carry-backs from a later unused credit year.

4. Partnerships and S corporations. In the case of machinery and equipment held by a partnership or an S corporation, the term "taxpayer" as used in subsection 1 means the partnership or S corporation. For the purposes of this section, a partner of a partnership shall have an investment credit base determined by multiplying the investment credit base of the partnership by the partner's percentage interest

in the taxable income or loss of the partnership for federal income tax purposes for the taxable year and a shareholder of an S corporation shall have an investment credit base determined by multiplying the investment credit base of the S corporation by the shareholder's percentage share of the stock of the S corporation as of the end of the taxable year.

5. Carry-forward and carry-back. If the sum of the amount of the credit allowed for any taxable year under subsection 2, plus the amount of any credit carry-forwards to the taxable year, exceeds the amount of the limitation imposed by subsection 3 for that taxable year, in this section referred to as the "unused credit year," that excess attributable to the credit allowed for the taxable year under subsection 2 may be carried back for no more than 3 taxable years and may be carried forward for no more than 5 taxable years and, subject to the provisions of subsection 3, may be applied as a credit against the tax imposed by this Part for the taxable year or years to which carried. The entire amount of the unused credit shall be carried to the earliest of the taxable years to which, by reason of this subsection, the credit may be carried and then to each of the other taxable years to the extent the unused credit may not be used for a prior taxable year due to the provisions of subsection 3.

Sec. 3. 36 MRS.A §5278, sub-§5, ¶B, as enacted by P&SL 1969, c. 154, §F, is amended to read:

B. If the claim for credit or refund relates to an overpayment attributable to a net operating loss carry-back or a credit carry-back, the claim may be made, under regulations prescribed by the assessor, within the period which ends with the expiration of the 15th day of the 40th month following the end of the taxable year of the net operating loss or the unused credit which resulted in such carry-back or the period prescribed in subsection 3 in respect of such taxable year, whichever expires later or, with respect to any portion of a credit carry-back from a taxable year attributable to a net operating loss carry-back or a capital loss carry-back from a subsequent taxable year, the period within which the claim may be made shall be that period which ends with the expiration of the 15th day of the 40th month following the end of such subsequent taxable year or the period prescribed in subsection 3 in respect of such taxable year, whichever expires later.

Sec. 4. Application. Section 2 of this Act shall apply to tax years ending on or after July 1, 1990, but any unused credit may be carried back to tax years ending prior to July 1, 1990, in accordance with the Maine Revised Statutes, Title 36, section 5219-C, subsection 5. Section 3 of this Act shall apply to tax years ending prior to the effective date of this Act as well as tax years ending on or after the effective date of this Act.

See title page for effective date.