

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND NINETEENTH LEGISLATURE**

**SECOND REGULAR SESSION**  
**January 5, 2000 to May 12, 2000**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**AUGUST 11, 2000**

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

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**2000**

A. Net income is multiplied by a fraction, the numerator of which is the Maine receipts during the taxable year and the denominator of which is the total receipts everywhere for the same taxable year.

B. For purposes of this subsection, Maine receipts from the direct or indirect provision of management, distribution or administration services to or on behalf of a regulated investment company or from trustees, sponsors and participants of employee benefit plans that have accounts in a regulated investment company are determined by multiplying total receipts for the taxable year from each separate regulated investment company for which the mutual fund service provider performs management, distribution or administration services by a fraction. The numerator of the fraction is the average of the number of shares owned by the regulated investment company's shareholders domiciled in this State at the beginning of and at the end of the regulated investment company's taxable year, and the denominator of the fraction is the average of the number of the shares owned by the regulated investment company's shareholders everywhere at the beginning of and at the end of the regulated investment company's taxable year.

C. Receipts other than from the provision of services described in paragraph B are Maine receipts if they would qualify as Maine sales under section 5211, subsection 15 or 16.

**3. Combined reporting not applicable.** Notwithstanding any other provision of this Title, a mutual fund service provider that has elected the apportionment method provided for in this section is not required to file a combined report, and neither the income nor the property, payroll or sales of a mutual fund service provider that has elected the apportionment method provided for in this section may be included in a combined report of another taxpayer.

**Sec. 2. Application.** This Act applies to tax years beginning on or after January 1, 2001.

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

**2000-01**

**ECONOMIC AND  
COMMUNITY  
DEVELOPMENT,  
DEPARTMENT OF**

**Administration – Economic  
and Community Development**

All Other (\$14,642)

Deappropriates funds to cover the projected General Fund revenue loss in fiscal year 2000-01. It is the intent of the Legislature that the Commissioner of Economic and Community Development submit General Fund appropriation requests that otherwise reduce "current services" appropriations by \$36,897 in fiscal year 2001-02 and \$37,635 in fiscal year 2002-03. The commissioner shall report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs by January 5, 2001 documenting these reductions and the effect on the department's programs.

See title page for effective date.

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**CHAPTER 755**

**H.P. 1817 - L.D. 2551**

**An Act to Implement the  
Recommendations of the Committee  
on Sawmill Biomass**

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

**Sec. 1. 36 MRS §5219-S** is enacted to read:

**§5219-S. Credit for consumption of wood processing residue**

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

A. "Affiliated" means a common ownership greater than 10% between one entity and another by means of financial interest or legal control whether directly or indirectly through one or more intermediaries or common owners.

B. "Authorized consumption" means use of wood processing residue for:

- (1) Combustion to generate electricity, industrial heat or steam;
- (2) Mulch for landscaping and soil amendment but not for landfill;
- (3) Composting of sewer sludge;
- (4) Creation of medium density fiberboard, resin adhesives or other building products; or
- (5) Conversion to ethanol or other forms of fuel derived from the residue.

<u>At least 30 miles but less than 50 miles</u>	<u>\$4</u>
<u>At least 50 miles but less than 70 miles</u>	<u>\$5</u>
<u>At least 70 miles</u>	<u>\$6</u>

A taxpayer that includes a facility or that owns or is affiliated with a facility may not claim a credit under this section. The maximum credit allowed is \$6 per ton. The credit authorized by this section may not reduce the tax below zero. The aggregate amount of credits authorized under this section may not exceed \$500,000.

"Authorized consumption" does not include a landfill deposit and does not include conversion to electricity, industrial heat or steam for a taxpayer's own use or for use by an affiliated entity.

C. "Facility" means a business that is regularly engaged in the authorized consumption of wood processing residue that is transported to the business. "Facility" may include a generator of electric power or steam, a distributor of landscaping mulch, a sewerage treatment plant, a manufacturer of building products derived from wood processing residue, an ethanol producer or a plant that produces residue-derived fuel.

D. "Taxpayer" means a business that produces merchantable lumber or secondary wood products.

E. "Wood processing residue" means bark and woody material generated in this State by a taxpayer as a by-product from the taxpayer's ordinary production of merchantable lumber or secondary wood products. "Wood processing residue" may include bark, sawdust, shavings and wood chips. "Wood processing residue" does not include limbs, tops and other slash material from logging operations, wood chips harvested directly from whole trees or material with an average moisture content greater than 55%.

2. Credit allowed. A taxpayer is allowed a credit against the tax imposed in this Part to be computed as provided in this subsection. For each ton of wood processing residue transported and delivered to a facility for authorized consumption, the credit equals the credit cap less the amount received from the facility for the wood processing residue delivered. The credit cap equals:

<u>Distance from the point of generation to the facility</u>	<u>Dollars per ton of allowable credit</u>
<u>Under 30 miles</u>	<u>\$3</u>

3. Period of application. The credit allowed by this section applies to wood processing residue that is transported and delivered during the period from July 1, 2000 to June 30, 2001 to a facility for authorized consumption. The credit must be taken during the tax year in which the transport and delivery occurs.

4. Rule-making authority. The Commissioner of Conservation, in consultation with the state economist, shall monitor, on a quarterly basis, the effectiveness of this section and, if necessary, adopt rules to ensure fair market interactions between taxpayers and facilities. The rules may contain provisions for suspension of the credit if the commissioner finds the existence of anticompetitive market conditions. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

See title page for effective date.

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## CHAPTER 756

H.P. 1878 - L.D. 2614

### An Act to Establish Consistent Requirements in Maine State Retirement System Plans for Minimum Creditable Service for Eligibility to Receive Retirement Benefits

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

**Sec. 1. 3 MRSA §851, sub-§§1 and 1-A,** as amended by PL 1993, c. 410, Pt. L, §3-A, are repealed.

**Sec. 2. 3 MRSA §851, sub-§§1-B and 1-C** are enacted to read:

**1-B. At least 10 years of creditable service or 60 years of age on July 1, 1993. A member who on**