



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1109

H.P. 778

House of Representatives, March 19, 2013

**An Act To Clarify the Maine New Markets Capital Investment
Program Tax Credit**

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative STANLEY of Medway.
Cosponsored by Senator THOMAS of Somerset and
Representatives: GIFFORD of Lincoln, GOODE of Bangor, TURNER of Burlington, Senators:
HASKELL of Cumberland, JACKSON of Aroostook, SHERMAN of Aroostook.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the 125th Legislature enacted the Maine New Markets Capital Investment
4 Program to stimulate capital investment in distressed areas of the State; and

5 **Whereas,** investors seeking to make investments under the Maine New Markets
6 Capital Investment Program require a high degree of clarity regarding the conditions on
7 which tax credits may be available; and

8 **Whereas,** there are interested investors unwilling to make investments that will
9 support construction of manufacturing facilities and the creation or retention of jobs due
10 to the ambiguity of certain terms used in the Maine New Markets Capital Investment
11 Program; and

12 **Whereas,** it is imperative that this legislation take effect immediately to allow for
13 investments to be made in the spring of 2013; and

14 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
15 the meaning of the Constitution of Maine and require the following legislation as
16 immediately necessary for the preservation of the public peace, health and safety; now,
17 therefore,

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

19 **Sec. 1. 36 MRSA §5219-HH, sub-§1, ¶J,** as amended by PL 2011, c. 657, Pt. P,
20 §1, is further amended to read:

21 J. "Qualified low-income community investment" means any capital or equity
22 investment in, or loan to, any qualified active low-income community business made
23 after September 28, 2011. Except as otherwise provided in this paragraph, with
24 respect to any one qualified active low-income community business, the maximum
25 amount of qualified low-income community investments that may be made in the
26 business, on a collective basis with all of its affiliates, with the proceeds of qualified
27 equity investments that have been certified under Title 10, section 1100-Z, subsection
28 3, paragraph G is \$10,000,000 whether made by one or several qualified community
29 development entities. With respect to investments in a qualified active low-income
30 community business that is a manufacturing or value-added production enterprise that
31 projects to create or retain more than 200 jobs, the limit on the qualified low-income
32 community investment is \$40,000,000 per project constructed, maintained or
33 operated by the qualified active low-income community business. For the purposes
34 of this paragraph, "project" means a manufacturing or value-added production
35 enterprise facility, including the land, buildings, structures, machinery and equipment
36 functionally related to and integrated with the manufacturing or production process
37 conducted at that facility.

38 **Emergency clause.** In view of the emergency cited in the preamble, this
39 legislation takes effect when approved.

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SUMMARY

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This bill amends the laws governing the Maine New Markets Capital Investment Program tax credit to clarify that the limitation on the amount of investment that may be made with respect to certain qualified active low-income community businesses is \$40,000,000 per project constructed, maintained or operated.

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