

Maine New Markets Capital Investment Program

The Maine New Markets Capital Investment Program attracts investment capital to low-income communities by allowing investors to receive a state tax credit on equity investments they make in qualified Community Development Entities (CDE).

This program is modeled after the federal New Markets Tax Credit Program.

Funding

Funded in cooperation with Maine Revenue Services and the Maine Department of Economic and Community Development. Administered by FAME.

Eligibility

In order to be eligible to participate in the program, a CDE must be certified as a qualified Community Development Entity by the secretary of the United States Treasury, and be a party to an existing allocation agreement with the Department of Treasury's Community Financial Institution (CDFI) Fund that is in effect and not subject to revocation or cancellation. The allocation agreement must have Maine in its service area. In addition, the CDE must be able to answer four of the following five questions affirmatively:

- Has the CDFI Fund been awarded multiple rounds of federal New Markets Tax Credit allocation to the CDE, its controlling entity or other entity controlled by the same controlling entity?
- Has the CDE, its controlling entity or other entity controlled by the same controlling entity, participated as a qualified community development entity in a state New Markets Tax Credit program or made an investment in this state that qualifies for federal New Markets Tax Credits?
- Has the CDE, its controlling entity or other entity controlled by the same controlling entity, made an investment qualified for tax credits in a business located in a nonmetropolitan census tract?
- Has the CDE, its controlling entity or other entity controlled by the same controlling entity, made an investment qualified for tax credits in a state where it did not previously have substantial operations?
- Has the CDE, its controlling entity or other entity controlled by the same controlling entity, explored potential investment opportunities in Maine that would qualify for credits under the program?

Basic Terms

- A CDE may seek an allocation of tax credit authority, reserving tax credit eligibility for later qualified equity investments, by filing an allocation application with FAME.
- Maximum allocation per CDE is \$62,500,000. An approved allocation of tax credit authority shall be valid for up to two years.

- Upon receipt of qualified equity investments under the approved allocation, and reinvestment in a qualified active low-income community business for use in a low-income community in the state, the CDE must file a certification application with FAME providing the details of the transaction.
- FAME will review the certification application to determine if the qualified equity investment is eligible for program tax credits, and if approved provides notice to the CDE and to Maine Revenue Services of the persons eligible for credits and the amount thereof. Maximum eligible investment per qualified active low-income community business is \$40,000,000.
- Eligible tax credit recipients may receive refundable state income tax credits of up to 39% of their eligible investment, which may be taken in increments over seven years (0%, 0%, 7%, 8%, 8%, 8%, 8%).

Reporting Requirements

A CDE that has been awarded tax credit allocation authority must file an annual report with FAME. See program rules on FAME's website for reporting requirements.

Recapture

If a CDE violates the Rule or provisions of relevant statutes, the tax credits may be subject to recapture pursuant to 36 M.R.S.A. Section 5219-HH.

Allocation Application

All funds have been allocated at this time.

Entities with approved allocation applications:

Advantage Capital Partners
 Michael Johnson, Managing Director
 909 Poydras Street, Suite 2230
 New Orleans, LA 70112
 (504) 522-4850
 (total tax credit allocation of \$41,666,666.64 split among five different related entities)

CCG Community Partners, LLC
 Paul Hoffman, Managing Director
 116 Village Boulevard, Suite 200
 Princeton, NJ 08540-5700
 (609) 951-2200
 (tax credit allocation of \$41,666,666.66)

CEI Capital Management, LLC
 Charles Spies, III, CEO
 30 Federal Street
 Brunswick, ME 04011
 (207) 772-2886
 (tax credit allocation of \$41,666,666.66)

Enhanced Community Development, LLC
Richard Montgomery, Managing Director
201 St. Charles Avenue, Suite 3700
New Orleans, LA 70170
(504) 569-7900
(tax credit allocation of \$41,666,666.66)

Stonehenge Community Development, LLC
Thomas Adamek, President and Managing Director
236 3rd Street
Baton Rouge, LA 70801
(225) 408-3250
(tax credit allocation of \$41,666,666.66)

USBCDE, LLC
Matt Philpott, Director of New Markets, Historic and Renewable Energy Tax Credit
Investments
1307 Washington Avenue, Suite 300
St. Louis, MO 63103
(314) 335-2612
(tax credit allocation of \$41,666,666.66)

Certification Application

See Certification Application on FAME's website.

Contact

For additional information, please email or call FAME General Counsel Christopher Roney at 207-620-3520.

Application Downloads

- Maine New Markets Capital Investment Program Certification Application

The document above can be found on FAME's website and may be viewed using Adobe Acrobat.

The applications are in a PDF format, which can be completed online and must be printed and sent to FAME.