



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 991

S.P. 311

In Senate, March 10, 2011

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### **An Act To Establish the Maine New Markets Capital Investment Program**

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Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.

Secretary of the Senate

Presented by President RAYE of Washington.  
Cosponsored by Speaker NUTTING of Oakland and  
Senators: KATZ of Kennebec, RECTOR of Knox, Representatives: CAIN of Orono,  
FREDETTE of Newport, HARMON of Palermo, PILON of Saco, PRESCOTT of Topsham.

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

2 **Sec. 1. 10 MRSA c. 110, sub-c. 12** is enacted to read:

3 **SUBCHAPTER 12**

4 **MAINE NEW MARKETS CAPITAL INVESTMENT PROGRAM**

5 **§1100-Z. Maine New Markets Capital Investment Program**

6 **1. Program.** The Maine New Markets Capital Investment Program, referred to in  
7 this section as "the program," is established to encourage new investment in economically  
8 distressed areas of the State. For the purposes of this section, all terms have the same  
9 meaning as under Title 36, section 5219-FF and Section 45D of the United States Internal  
10 Revenue Code of 1986, as amended.

11 **2. Application for credits.** In order to participate in the program, a qualified  
12 community development entity must apply for a tax credit pursuant to Title 36, section  
13 5219-FF with the authority on forms prescribed by the authority. The qualified  
14 community development entity must pay an application fee to the authority at the time the  
15 application is submitted in an amount determined by the authority. The authority shall  
16 determine by rule the process for the allocation of the tax credits.

17 **3. Limit on amount of credits authorized.** The maximum aggregate amount of  
18 qualified equity investments that may be allocated by the authority under this section may  
19 not exceed an amount that would result in taxpayers' claiming in any one state fiscal year  
20 credits in excess of \$20,000,000.

21 **4. Rules.** The authority shall adopt rules necessary to implement this section. Rules  
22 adopted pursuant to this subsection are routine technical rules under Title 5, chapter 375,  
23 subchapter 2-A.

24 **Sec. 2. 36 MRSA §5219-FF** is enacted to read:

25 **§5219-FF. New markets capital investment credit**

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

28 **A. "Adjusted purchase price"** means the investment in the qualified community  
29 development entity for the qualified equity investment, substantially all of the  
30 proceeds of which are used to make qualified low-income community investments in  
31 the State.

32 **B. "Applicable percentage"** means 5% for the first to 3rd credit allowance dates and  
33 6% for the 4th to 7th credit allowance dates.

34 **C. "Credit allowance date"** means, with respect to any qualified equity investment,  
35 the date on which the investment is initially made and each of the 6 anniversary dates  
36 of the date thereafter.

