

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Modify the Maine Seed Capital Tax Credit Program

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

Sec. 1. 10 MRSA §1100-T, sub-§2, ¶A, as amended by PL 2003, c. 451, Pt. E, §1, is further amended to read:

A. A tax credit certificate may be issued in an amount not more than 40% of the amount of cash actually invested in an eligible Maine business in any calendar year or in an amount not more than 60% of the amount of cash actually invested in any one calendar year in an eligible Maine business located in a ~~high-unemployment area, as determined by rule by the authority~~ Pine Tree Development Zone as defined in Title 30-A, section 5250-I, subsection 13. ~~Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.~~

Sec. 2. 10 MRSA §1100-T, sub-§2-A, ¶A, as amended by PL 2003, c. 451, Pt. E, §4, is further amended to read:

A. A tax credit certificate may be issued to an individual who invests in a private venture capital fund in an amount that:

(1) Is not more than 40% of the amount of cash actually invested in or unconditionally committed to a private venture capital fund in any calendar year by the individual or entity, except that with respect to fund investments that are made in eligible businesses that are located in a ~~high-unemployment area~~ Pine Tree Development Zone, ~~as determined by rule of the authority under subsection 2~~ set forth in subparagraph (2), the tax credit certificate may not be more than 60% of the cash actually invested in or unconditionally committed to a private venture capital fund in any calendar year by the individual or entity; and

(2) Does not exceed 40% of the amount of cash invested by the fund in eligible businesses, except that with respect to fund investments that are made in eligible businesses that are located in a ~~high-unemployment area, as determined by rule of the authority under subsection 2~~ Pine Tree Development Zone as defined in Title 30-A, section 5250-I, subsection 13, a tax credit certificate may not be more than 60% of the cash invested by the fund in any calendar year in such businesses; ~~provided that the~~ The authority may issue tax credit certificates in an amount not to exceed 20% of the amount of cash actually invested in or unconditionally committed to a private venture capital fund in any calendar year if the authority determines that the private venture capital fund is located in this State, is owned and controlled primarily by residents of this State and has designated investing in eligible businesses of this State as a major investment objective. The credit may be revoked to the extent that the private venture capital fund does not make investments eligible for the tax credit in an amount sufficient to qualify for the credits

within 3 years after the date of the tax credit certificates. Notwithstanding any revocation pursuant to this subparagraph, each investor remains eligible for tax credit certificates for eligible investments as and when made by the private venture capital fund.

The aggregate amount of credits issued to investors in a fund may not exceed 40% of the amount of cash invested by the fund in eligible businesses, except that with respect to fund investments in eligible businesses that are located in a ~~high unemployment area~~ Pine Tree Development Zone as set forth in subparagraph (2), the aggregate amount of tax credits issued to investors in a fund may not exceed 60% of the cash invested by the fund in eligible businesses.

Sec. 3. 10 MRSA §1100-T, sub-§7 is enacted to read:

7. Rules. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 4. Application. This Act applies to tax credit certificates issued on or after January 1, 2010 for investments made on or after January 1, 2010 in businesses that file their initial application for participation in the Maine Seed Capital Tax Credit Program on or after January 1, 2010.

SUMMARY

This bill modifies the Maine Seed Capital Tax Credit Program administered by the Finance Authority of Maine by changing the requirements for increased credits from businesses located in high unemployment areas to those located in areas of the State classified as Pine Tree Development Zones.