



129th MAINE LEGISLATURE

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Legislative Document

No. 268

S.P. 80

In Senate, January 22, 2019

**An Act To Create a Credit under the Commercial Forestry Excise
Tax for Landowners Using Businesses Based in the United States**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.
Cosponsored by Representative TIPPING of Orono and
Senators: CARPENTER of Aroostook, CHIPMAN of Cumberland, DAVIS of Piscataquis,
Representatives: MARTIN of Eagle Lake, STANLEY of Medway.

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

2 **Sec. 1. 36 MRSA §2729** is enacted to read:

3 **§2729. Credit**

4 **1. Credit.** An owner of commercial forest land subject to tax under this chapter is
5 entitled to a credit equal to 100% of the taxes assessed under this chapter if the landowner
6 meets the conditions specified under subsection 2.

7 **2. Conditions of eligibility.** To be eligible for a credit under this section, a
8 landowner must:

9 A. Be based in the United States;

10 B. Demonstrate to the State Tax Assessor that all businesses, including forest road
11 construction and trucking businesses, and contractors, including subcontractors, hired
12 or retained by the landowner in the harvesting of timber on land subject to tax under
13 this chapter are based in the United States and that the landowner has obtained from
14 those businesses affidavits stating that at least 75% of the employees of those
15 businesses are residents of the United States; and

16 C. Require that all businesses employed by the landowner in the harvesting of timber
17 on land subject to tax under this chapter, including contractors and subcontractors,
18 are current in the payment of all taxes due the State or political subdivisions of the
19 State, including, but not limited to, payroll taxes, unemployment taxes, personal
20 property taxes and sales taxes. This paragraph may not be construed to require a
21 business employed by the landowner in the harvesting of timber to be assessed
22 personal property taxes in order for the landowner to be eligible for the credit under
23 this section.

24 For the purposes of this subsection, "based in the United States" means that a business
25 maintains a bona fide place of business in the United States from which business
26 operations in the United States are managed.

27 **3. Recapture.** If the State Tax Assessor finds, after a credit under this section has
28 been granted, that the landowner claiming the credit did not meet the conditions required
29 under subsection 2, the State Tax Assessor shall rescind the credit and shall recapture the
30 credit granted by issuing a supplemental assessment against the landowner in accordance
31 with section 141, subsection 1.

32 **SUMMARY**

33 This bill provides a credit against the commercial forestry excise tax for landowners
34 who are based in the United States and who employ and retain businesses or contractors
35 that are based in the United States, that employ at least 75% United States residents and
36 that are current in the payment of all state and local taxes. The bill also requires recapture
37 of the credit if a recipient is found to have been ineligible.