Credit for Major Food Processing & Manufacturing Facilities Expansion

Program Description

Statutory Reference: 36 MRS §5219-VV
Enactment: 2019 (claimable starting tax year 2022)
Sunset: Qualified investments must be made by December 31, 2027
GF Revenue Loss Estimate: $0 FY26; $1.5M FY27
Administering Agency: Joint DECD and MRS
Taxpayers Impacted: At least 1 taxpayer; Public testimony suggests 2 taxpayers

- This is a refundable income tax credit for construction or expansion of a food processing and manufacturing facility in Maine.
- Credit was first claimable in the tax year beginning January 2022; no credit has been claimed to date.
- The credit must be claimed over a period of 20 years, with the annual credit amount equal to 1.8% of the qualified investment, or 2% of qualified investment after January 1, 2027.
- Qualifying investments must be at least $35M to design, permit, construct, modify, equip or expand the applicant's facility in the State, and must be made between April 1, 2019 and December 31, 2027. Qualifying investment is capped at $100M per certificate and $200M for all certificates.
- Eligible businesses must meet additional requirements including:
    - At least 40 full-time employees based in Maine within 12 months of the start-up of the facility in which the qualified investment was made; and
    - at least 75% of employees who have been employed by the applicants for at least 12 months must have income which exceeds the most recent annual per capita personal income in the county in which the facility is located.
- Businesses must meet employment targets for each year the credit is claimed.

Proposed Evaluation Delay Until 2028

OPEGA is proposing delaying this evaluation to allow time for the effects of recent legislation to be realized. PL 2025, Ch. 489 made major changes to the credit, extending the period for allowed investment from the end of 2024 to December 31, 2027, and raising the credit cap both for the overall program, and for individual businesses. The legislation also removed the requirement for the food manufacturer's headquarters to be in Maine and made other eligibility changes. These changes mean that more businesses can now access the credit, and qualifying investment may continue to occur through the end of 2027.

As of August 2025, DECD reported to OPEGA that no businesses had completed approved qualified investment and filed with the Department for a Certificates of Completion as required to claim the credit. However, public testimony regarding PL 2025, Ch. 489 indicated that at least two businesses may intend to make qualified investments and claim the credit. To allow time for the level of participation in the credit to become clear, OPEGA recommends that the Full Evaluation of this tax credit be delayed until at least 2028. This will ensure that all investment that is allowed under the program has been made and OPEGA can fully evaluate the impacts of the credit.