

**State of Maine
Recommended Changes for 2020 Tax Expenditure List**

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

Recommendation	ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY20 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	Statutory Cite: Title 36	OPEGA Notes
Recommend Adding to Category A Fiscal Note estimates: FY'22 = \$33K FY'23 = \$1.1M	185	Business Incentive - Targeted Industry	A	Income	Credit	Major Food Processing & Manufacturing Facilities Expansion Credit	Refundable income tax credit for construction or expansion of a qualifying food processing and manufacturing facility in Maine. Credit amount is equal to 1.8% of the taxpayer's qualified investment.	\$0	\$0	5219-VV	Recommend Adding to Category A Fiscal Note estimates: FY'22 = \$33K FY'23 = \$1.1M
Delete due to Repeal (combined with §1864)	67	Charitable	B	Sales & Use	Exemption	Returned Merchandise Donated to Charity	Tax exemption on donations of returned merchandise by a retailer to a charitable organization exempt from federal income tax under 501(c)(3).	\$50,000-\$249,999	\$50,000-\$249,999	1863	Description of §1864 has been changed to include returned merchandise
Delete due to Repeal	13	Business Incentive	C	Income	Credit	Maine Fishery Infrastructure Investment Tax Credit	Tax credit for up to 50% of investment in eligible fishery infrastructure projects to benefit the public; requires tax credit certificate from the Department of Inland Fisheries and Wildlife. Per IF&W, credit has not yet been used.	\$0-\$49,999	\$0 - \$49,999	5216-D	Repealed to to being under-used.
Add - based on PL 2019 c.530 §C-1	183	Non-Business Incentive - Education	C	Income	Deduction	Student Loan Payment Subtraction Modification of AGI	A subtraction modification is allowed for a taxpayer who is a qualified health care employee and whose employer pays the employee's student loans directly to a lender.		\$133,000	5122(2)(QQ)	Added in case revenue loss increases in future years.
Add - based on PL 2019 c.343 Pt. YYYY	184	Charitable	C	Sales & Use	Exemption	Sales tax exemption for watercraft by certain nonprofit transportation companies	Exemption if company operates pursuant to a written understanding with amunicipality that he watercraft will be available at all times to transport emergency medical patients from an island to the mainland.		Fiscal note says "very minor"	1760(26)(A)	Added in case revenue loss increases in future years.

Sources: FY19 & 21 Revenue Loss estimates: Maine State Tax Expenditures Report 2020-2021. All other information: OPEGA analysis of Maine Revenue Services information and Maine Revised Statutes.