



JANET T. MILLS  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



HEATHER JOHNSON  
COMMISSIONER

March 29, 2021

Jerome Gerard, State Tax Assessor  
Maine Revenue Services  
State House Station #24  
Augusta, Maine 04333-0024

Honorable Ben Chipman, Senate Chair  
Honorable Maureen Terry, House Chair  
Committee on Taxation  
100 State House Station, Room 127  
Augusta, Maine 04333

RE: CY2020 Tax Credit for Maine Shipbuilding Facility Investment Program

Dear Mr. Gerard, Senator Chipman, Representative Terry and members of the Taxation Committee:

Title 36 A §5219-RR directs the Department of Economic and Community Development to submit to the State Tax Assessor and the joint standing committee of the legislature with jurisdiction over tax matters a copy of the annual report submitted by an applicant certified under the Tax Credit for Maine Shipbuilding Facility Investment Program. Certified applicants are required to submit their annual report to DECD by March 1<sup>st</sup>.

At this time, Bath Iron Works (BIW) is the only applicant certified under the Tax Credit for Maine Shipbuilding Facility Investment Program and submitted their report to DECD on February 25, 2021.

The following information is required to be provided in that report:

- The number of qualified employees that are employed by the certified applicant at the end of the report year;
- The total number of qualified employees hired during the report year; and
- The number of qualified employees in positions that are covered by a collective bargaining agreement;
- The total dollar amount of payroll associated with employment in the report year, including specific information on:
  - The average annual salary and wages for qualified employees; and
  - The median annual salary and wages for qualified employees;

TAX INCENTIVE PROGRAMS DIVISION  
BURTON M. CROSS STATE OFFICE BUILDING  
111 SEWALL STREET, AUGUSTA ME 04330 / 59 STATE HOUSE STATION, AUGUSTA ME 04333-0059

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- The total dollar amount that was spent on goods and services obtained from businesses with an office in the State from which business operations in the State are managed; and
- The incremental level of qualified investments made during the report year, including specific information on:
  - The amount of qualified investment in facility, production equipment and employee training and development, reported as an aggregate sum;
  - The portion of the qualified investment reported under subparagraph (a) that was spent on goods and services from businesses with an office in the State from which business operations in the State are managed; and
  - Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B.

BIW provided this information in the document that is attached to this letter.

Please contact Phoenix McLaughlin, DECD's Tax Incentive Policy Manager, if you have any questions regarding this report.

Sincerely,

Heather Johnson  
Commissioner

Attachment: Bath Iron Works CY2020 Annual Report

cc: Phoenix McLaughlin, Tax Incentive Policy Manager, DECD  
Michael Allen, Associate Commissioner of Tax Policy, MRS

**GENERAL DYNAMICS**  
Bath Iron Works

**Deana Farrell**  
Tax Department

February 25, 2021

Mr. Phoenix McLaughlin  
Tax Incentive Policy Manager  
Department of Economic and Community Development  
59 State House Station  
Augusta, ME 04333-0059

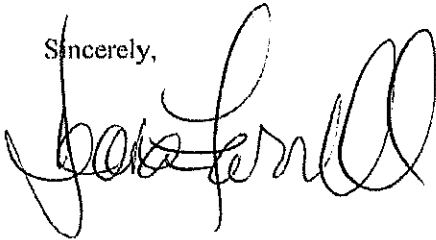
Re: *Bath Iron Works Corporation/Maine Shipbuilding Facility Investment Credit*

Dear Phoenix:

Thank you for reaching out and for providing the latest Per Capita Income for this measurement.

Enclosed please find BIW's submittal of the annual reporting requirement in accordance with Section 5219-RR; Tax Credit for Maine shipbuilding facility investment. This data covers the report year ending December 31, 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "Deana Farrell", written in a cursive style.

700 Washington Street  
Bath, ME 04530  
Tel: 207 442 3658  
Fax: 207 442 2496  
Deana.farrell@gdbiw.com

**MAINE REVENUE SERVICES**  
**MAINE SHIPBUILDING FACILITY INVESTMENT CREDIT**  
 Maine Revenue Section 5219-RR

9(A). ANNUAL REPORTING REQUIREMENT FOR CALENDAR YEAR ENDING:

12/31/2020

**EMPLOYMENT - \***

(1) Employment of the certified applicant for the report year:

"Employment" means the amount determined by adding the total number of qualified employees of a certified applicant on each of 6 consecutive measurement days of that tax year as chosen by the certified applicant and then dividing that sum by "Measurement day" means the last business day of every other month of a tax year.

	Date	Number of qualified employees
1	1/26/2020	6,246
2	3/29/2020	6,422
3	5/31/2020	6,475
4	7/26/2020	2,597
5	9/27/2020	6,246
6	11/22/2020	6,078
Total periods		34,064
		/6
Employment:		5,677

1(a) the number of qualified employees that are employed by the certified applicant at the end of the report year 6,192

1(b) the total number of qualified employees hired during the report year 732

1(c) the number of qualified employees in positions that are covered by a collective bargaining agreement 5,128

*\*The Employment figures reported do not include 328 probationary employees hired after October 1*

**PAYROLL -**

(2) The total dollar amount of payroll associated with employment in the report year: 344,886,756

2(a) The average annual salary and wages for qualified employees. 60,795

2(b) The median annual salary and wages for qualified employees. 56,264

**GOODS AND SERVICES -**

(3) The total dollar amount that was spent on goods and services obtained from business with an office in the State from which business operations in the State are managed. 107,656,291

**QUALIFIED INVESTMENT -**

(4) The incremental level of qualified investments made during the report year. 54,369,517

4(a) The amount of qualified investment in facility, production equipment and employee training and development, since January 01, 2018, reported as an aggregate sum. 161,851,866

*\*The statute requires that "qualified investment" include only expenditures that are capitalized for federal income tax purposes. Expenditures for training and development are not capitalized and not included in the aggregate sum.*

4(b) The portion of qualified investment reported under subparagraph (a) that was spent on goods and services from businesses with an office in the State from which business operations in the State are managed. 81,495,290

4(c) Whether the certified applicant has qualified for the additional credit under subsection 3, paragraph B. No