



125th MAINE LEGISLATURE

LD 338

LR 1438(01)

An Act To Provide an Income Tax Credit for Logging Companies That Hire Maine Residents

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Jackson of Aroostook

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - General Fund

Current biennium revenue decrease - General Fund

Current biennium revenue decrease - Other Special Revenue Funds

Fiscal Detail and Notes

Creating an income tax credit for logging companies that hire Maine residents will reduce state income tax liability for such companies and reduce revenues to the General Fund and revenue sharing. The extent of the revenue loss is not quantified at this time because of uncertainty whether the credit created may overlap with the Employment Tax Increment Financing Program and because the definitions of full-time employee and eligible employer need further clarification. The Bureau of Revenue Services will require an appropriation of \$22,000 for programming and related costs to add a credit line to form 1040ME, Schedule A and form 1120ME.