

Date: (Filing No. H- )

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT " " to S.P. 100, L.D. 338, Bill, "An Act To Provide an Income Tax Credit for Logging Companies That Hire Maine Residents"

Amend the bill by striking out the title and substituting the following:

'An Act To Provide an Income Tax Credit for Persons Engaged in Commercial Forestry'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 36 MRSA §5219-GG is enacted to read:

§5219-GG. Credit for residents of the State employed in commercial forestry

1. Credit allowed. A credit is allowed to an employer in the commercial forestry industry that employs residents of the State to harvest timber in this State and to self-employed resident individuals engaged in commercial forestry on a full-time basis.

2. Amount of credit. The amount of the credit allowed under this section is equal to the tax paid during the taxable year under Parts 3 and 5 on internal combustion engine fuel, as defined in section 2902, subsection 3, and special fuel, as defined in section 3202, subsection 6, used by the employer or self-employed person for commercial forestry up to a maximum credit of \$2,500. The employer or self-employed person shall report the number of gallons purchased and the type of fuel purchased to the State Tax Assessor. For purposes of this subsection, "commercial forestry" means the cultivation, management, maintenance and development of forests; the harvesting of trees; and the transport of forest products as defined in section 1752, subsection 2-E.

3. Limitation. The credit allowed under this section may not reduce the tax otherwise due under this Part to less than zero.

4. Rules. The bureau may adopt rules to implement the provisions of this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2012.

HOUSE AMENDMENT

1           **Sec. 3. Appropriations and allocations.** The following appropriations and  
2 allocations are made.

3           **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**  
4 **Revenue Services - Bureau of 0002**

5 Initiative: Appropriates funds for programming changes to tax forms to establish an  
6 income tax credit of up to \$2,500 based on fuel purchased by employers in the  
7 commercial forestry industry in the State who employ residents of the State and fuel  
8 purchased by self-employed residents of the State in the commercial forestry industry in  
9 the State for tax years beginning on or after January 1, 2012.

10	<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
11	All Other	\$0	\$22,000
12			
13	GENERAL FUND TOTAL	\$0	\$22,000
14			

15   **SUMMARY**

16           This amendment replaces the per employee income tax credit to an employer in the  
17 commercial forestry industry that employs residents of the State to harvest timber in this  
18 State with a credit equal to the tax paid during the taxable year on fuel used by the  
19 employer for commercial forestry up to a maximum credit of \$2,500. This amendment  
20 also provides the tax credit to residents of Maine who are self-employed on a full-time  
21 basis in the commercial forestry industry. The amendment also adds an appropriations  
22 and allocations section.

23   **FISCAL NOTE REQUIRED**

24   **(See attached)**

25 SPONSORED BY: \_\_\_\_\_

26                   (Representative MARTIN, J.)

27                   TOWN: Eagle Lake