

**§6853. Credit against withholding taxes allowed**

**1. Generally.** Subject to the provisions of subsection 2 and notwithstanding any contrary provisions of chapter 827, a certified applicant is allowed a credit equal to \$3,000,000 for each calendar year, beginning with the 1999 calendar year, against \$3,000,000 that otherwise would be required to be remitted to the State Tax Assessor on or after July 1st of each calendar year by the certified applicant pursuant to chapter 827 for state income taxes deducted and withheld from wages of qualified employees by the certified applicant. The credit taken with respect to withholding taxes not remitted must be reflected on the withholding returns submitted by the certified applicant pursuant to chapter 827 and constitutes a credit against the applicant's liability for and obligation to remit the withholding tax against which the credit is taken.

[PL 1997, c. 449, §1 (NEW).]

**1-A. Calendar year 1999 credit.** Notwithstanding subsection 1, the credit to be taken in calendar year 1999 may be taken in 2 parts. The first part is a credit against the first \$1,000,000 that otherwise would be required to be remitted to the assessor on or after January 1, 1999. The remainder of the credit allowed for 1999 pursuant to this section and section 6856, if applicable, may not be taken until after July 1, 1999.

[PL 1997, c. 449, §1 (NEW).]

**2. Limitations.** The following are limitations on the credit allowed under subsection 1.

A. A credit is not allowed for any calendar year beginning after the earlier of the following:

(1) December 31, 2018; or

(2) December 31st of the calendar year during which the certified applicant has launched its 30th qualified ship. [PL 1997, c. 449, §1 (NEW).]

B. A credit is not allowed for a calendar year in which the qualified applicant has employment of less than 5,000 unless that calendar year is an exception year. Beginning January 1, 2003, a credit is not allowed for a calendar year in which the qualified applicant has employment of less than 3,500 unless that calendar year is an exception year. [PL 1997, c. 449, §1 (NEW).]

C. Total credits under this section may not exceed \$60,000,000 to any certified applicant or transferee. [PL 1997, c. 449, §1 (NEW).]

[PL 1997, c. 449, §1 (NEW).]

**3. Effect on employee.** Notwithstanding any contrary provisions of chapter 827, the amount of income tax deducted and withheld by a certified applicant from the wages of a person pursuant to chapter 827 in any calendar year is considered paid to the State Tax Assessor on behalf of the person from whom the income tax was withheld without regard to any credit taken by a certified applicant under this chapter, and that person is credited with having paid that amount of tax for the taxable year beginning in the calendar year without regard to any credit taken by a certified applicant under this chapter. If more than one taxable year begins in a calendar year, that person may claim that amount as a credit for the most recent taxable year.

[PL 1997, c. 449, §1 (NEW).]

**SECTION HISTORY**

PL 1997, c. 449, §1 (NEW).

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