



129th MAINE LEGISLATURE

LD 1200

LR 1066(02)

An Act To Amend the Maine Seed Capital Tax Credit Program

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$1,282,500	\$2,755,000	\$4,180,000	\$5,367,500
Revenue				
General Fund	(\$1,282,500)	(\$2,755,000)	(\$4,180,000)	(\$5,367,500)
Other Special Revenue Funds	(\$67,500)	(\$145,000)	(\$220,000)	(\$282,500)

Fiscal Detail and Notes

The bill increases the maximum tax credit certificates under the Maine Seed Capital Tax Credit program from \$5 million to \$15 million per year. It would result in a reduction in General Fund revenue of \$1,282,500 in fiscal year 2019-20 and \$2,755,000 in fiscal year 2020-21 and a reduction in Local Government Fund revenue of \$67,500 in fiscal year 2019-20 and \$145,000 in fiscal year 2020-21.

The responsibilities outlined in this bill for the Office of Program Evaluation and Government Accountability (OPEGA) are already reflected in statutorily assigned work for OPEGA in reviewing tax expenditures. However, in order for OPEGA to meet the February 1, 2023 deadline for submitting their evaluation of this credit to the Taxation Committee, the Government Oversight Committee will need to prioritize this work over other planned tax expenditure reviews. Otherwise, OPEGA will need additional staff or contract resources to complete their review and submit their evaluation by February 1, 2023.

Additional costs to the Finance Authority of Maine associated with reporting requirements can be absorbed within existing budgeted resources.