

**2021 Tax Expenditure Schedule  
for *Category A - Full Evaluations*  
Approved by GOC on 03/12/2021**

ID #	Status	Expenditure Program Name	Brief Description	Rationale	FY22 Revenue Loss Estimate*	FY23 Revenue Loss Estimate*	Statutory Cite: Title 36 unless otherwise specified
4	In Progress	Maine Seed Capital Tax Credit	Tax credit of up to 40% for capital investment in eligible businesses (including manufacturing, value-added natural resource enterprises, export businesses, advanced technology, and visual media production), with limitations.	Business Incentive - Financial Investment	\$6,900,000	\$8,400,000	36 MRS §5216-B & 10 MRS §1100-T
6	In Progress	Credit for Rehabilitation of Historic Properties	Income tax credit for expenditures in rehabilitation of certified historic properties, with limitations. Fiscal impact is expected to increase \$1.4 million in FY17 and perhaps more in future years as a result of recently enacted legislation. Tied to federal credit.	Business Incentive - Targeted Industry	\$8,950,000	\$9,200,000	§5219-BB
3	In Progress	Research Expense Tax Credit	Tax credit for qualified research expenses associated with certain technological and experimental research, with limitations. 15 year carry forward.	Business Incentive - Research Investment	\$1,650,000	\$2,180,000	§5219-K
171	Future	Shipbuilding Facility Credit	Nonrefundable income tax credit for 15 years (from tax years beginning on or after January 1, 2020) for major investments in a shipbuilding facility when criteria are met. Requires the credit to be reviewed by 2024 by OPEGA.	Business Incentive - Targeted Industry	\$2,850,000	\$2,850,000	§5219-RR
5	Future	Tax Benefits for Media Production Companies	Tax credit (5% of nonwage production expenses, if >\$75,000) and reimbursement (12% of production wages) for certified productions of visual media production companies.	Business Incentive - Targeted Industry	\$150,000	\$150,000	§5219-Y, §6902
185	Future	Major Food Processing & Manufacturing Facilities Expansion Credit	Refundable income tax credit for construction or expansion of a qualifying food processing and manufacturing facility in Maine. Credit amount is equal to 1.8% of the taxpayer's qualified investment.	Business Incentive - Targeted Industry	\$0	\$1,111,500	§5219-VV
14	Future	Deduction for Contributions to Capital Construction Funds for maintenance or replacement of fishing vessels	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	Business Incentive - Targeted Industry	\$520,000	\$520,000	§5122(2)(I)
7	Future	Major Business Headquarters Expansion	Refundable credit of 2% of taxpayer's investment for a major business that expands or locates its headquarters in Maine and hires the required number of new employees.	Business Incentive - Job Creation	\$0	\$760,000	§5219-QQ
16	Future	Credit for Educational Opportunity	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree here.	Non-Business Incentive - Education	\$41,500,000	\$47,900,000	§5217-D
172	Future	Employer credit for family and medical leave	Creates a tax credit (for tax years beginning in 2018 and 2019) under the income tax and insurance premium tax equal to the federal credit for employer-paid family and medical leave. The credit is nonrefundable.	Non-Business Incentive - Health & Safety	\$40,000	\$0	§5219-UU, §2536

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19	Future	Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Individual income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	Non-Business Incentive - Financial Investment	\$45,000	\$40,000	§5122(2)(N)
20	Future	Deduction for Interest and Dividends on U.S., Maine State and Local Securities	Corporate income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	Non-Business Incentive - Financial Investment	\$20,000 - \$100,000	\$20,000 - \$100,000	§5200-A(2)(A), §5200-A(2)(K)
18	Future	Earned Income Credit	Tax credit equal to a percentage of the federal earned income tax credit (EITC) received that year; EITC is a credit for individuals who have earned income under a certain limit. Note: The estimate is net of the transfer of TANF funds that partially offsets the General Fund loss. Without this transfer, the General Fund revenue loss would be approximately \$24.7 million in FY22 and FY23.	Non-Business Incentive	\$16,630,000	\$16,630,000	§5219-S
37	Future	Additional Standard Deduction for the Blind and Elderly	Additional \$1,550 standard deduction if single, or \$1,250 if married available to taxpayers who are blind beginning in tax year 2016.	Tax Relief - Individuals	\$10,400,000	\$10,900,000	§5124-A
29	Future	Income Tax Credit for Child & Dependent Care Expense	Tax credit for child and dependent care expenses in the amount of 25% of the federal tax credit; the credit doubles for expenses incurred for quality child care services. Maximum of \$500.	Tax Relief - Individuals	\$4,150,000	\$4,150,000	§5218
30	Future	Deduction for Pension Income & IRA Distributions	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts, up to \$10,000.	Tax Relief - Individuals	\$31,200,000	\$31,600,000	§5122(2)(M)
31	Future	Deduction for Social Security Benefits Taxable at Federal Level	Deduction for social security benefits and railroad retirement benefits.	Tax Relief - Individuals	\$110,200,000	\$119,600,000	§5122(2)(C)
32	Future	Property Tax Fairness Credit	PTFC is 100% of the benefit base that is greater than 5% of the individual's income, up to \$750 (\$1200 for individuals 65 years of age and older).	Tax Relief - Individuals	\$35,350,000	\$35,350,000	§5219-KK
27	Future	Sales Tax Fairness Credit	Tax credit to provide sales tax relief to low and middle income families.	Tax Relief - Individuals	\$23,800,000	\$23,500,000	§5213-A, §5403(5)
33	Future	Railroad Track Materials	Tax exemption on sales of railroad track materials for installation on railroad lines within the State.	Tax Relief - Targeted Industry	\$670,000	\$680,000	§1760(52)
34	Future	Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers	Refund of sales tax paid on purchases of parts and supplies for use for operation, repair or maintenance of a windjammer providing commercial cruises.	Tax Relief - Targeted Industry	\$50,000 - \$249,999	\$50,000 - \$249,999	§2020
36	Future	Certain Telecommunications Services	Tax exemption on sales of interstate and international telecommunications services.	Tax Relief - Individual or Targeted Industry	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	§2557(33), §2557(34)

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189	Future	Credit for Affordable Housing	Taxpayer receiving a tax credit certificate from MSHA for an affordable housing project located in Maine, may claim a refundable tax credit for that taxable year. Credit is equal to either (1) the total federal low-income housing tax credit claimed under IRC section 42 using entire federal credit period for all buildings in a qualified Maine project, or (2) an amount equal to the lesser of \$500,000 or 50% of the qualified basis of an affordable housing project that incurs at least \$100K includable in eligible basis in construction or rehabilitation of an affordable housing project for which IRC section 42 is not claimed.	Business Incentive - Financial Investment	\$8,645,000	\$9,500,000	§5219-WW
154	Future	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Allows licensed cigarette distributors to purchase cigarette stamps with a face value of \$2 at a discount of 1.15%. (General Fund)	Specific Policy Goal/Mandate	\$1,347,621	\$1,320,665	§4366-A(2)
155	Future	Air & Water Pollution Control Facilities	Tax exemption on sales of certified air and water pollution control facilities and parts or accessories, construction materials, and chemicals or supplies of these facilities.	Specific Policy Goal/Mandate	\$500,000 - \$1,999,998	\$500,000 - \$1,999,998	§1760(29), §1760(30)
165	Future	Sales Through Coin Operated Vending Machines	Tax exemption on sales of certain products through vending machines by retailers who make the majority of their sales via vending machines.	Administrative Burden	\$1,000,000	\$1,000,000	§1760(34)
1	Completed	New Markets Capital Investment Credit	Tax credits of up to 39% of a project's total cost for qualified equity investments in low-income community businesses made via a community development entity, with limitations.	Business Incentive - Financial Investment	\$4,306,000	\$3,667,000	§5219-HH
2	Completed	Pine Tree Development Zones	Reimbursement of sales & use taxes on certain tangible personal property; exemption from sales taxes on tangible personal property and electricity; and credits for qualified businesses that expand or begin operations in the State (100% of Maine income tax liability is waived for the first 5 years, and 50% for years 6 to 10). Ends in 2028/2029.	Business Incentive - Job Creation	\$2,880,000 - \$4,879,999	\$2,930,000 - \$4,929,999	§2016, §1760(87), §5219-W
8	Completed	Employment Tax Increment Financing	Reimbursement to certain businesses of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits), subject to limitations including unemployment rates in the area; ends in 2028.	Business Incentive - Job Creation	\$10,400,000	\$10,650,000	Chapter 917
9	Completed	Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE)	Reimbursement to municipalities of revenue losses, with limitations, due to the property tax exemption for qualified business equipment.	Business Incentive - Equipment Investment	\$57,050,000	\$61,900,000	Chapter 105, subc. 4-C

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10	Completed	Reimbursement for Taxes Paid on Certain Business Property (BETR)	Reimbursement of property tax paid on qualified business property, with limitations. FY15 tax loss shows a decrease from prior years resulting from recently enacted legislation.	Business Incentive - Equipment Investment	\$20,200,000	\$18,900,000	Chapter 915
92	Completed	Maine Capital Investment Credit	Tax credit for depreciable property placed in service in Maine.	Conformity with IRC	\$4,250,000	\$5,000,000	<a href="#">§5219-GG</a> , <a href="#">5219-JJ</a> (for 2013; Reallocated from <a href="#">5219-II</a> ) & <a href="#">5219-NN</a> (2015 & after) plus <a href="#">5122(2)(RR)</a> & <a href="#">(KK)</a> income modification for bonus depreciation.

**Sources:** FY22 & 23 Revenue Loss estimates: Maine State Tax Expenditures Report 2022-2023. All other information: OPEGA analysis of Maine Revenue Services information and Maine Revised Statutes.