

Pine Tree Zone Program

10/10/2009

Established in 2003, the Pine Tree Zone program has become a very effective performance-based economic development tool that helps qualifying companies compete nationally and internationally for business development and job creation.

A business must be classified in one of nine qualifying (targeted) sectors.

Eligible Sectors

- Biotechnology
- Aquaculture and marine technology
- Composite materials technology
- Environmental technology
- Advanced technologies for forestry and agriculture
- Information technology
- Manufacturing, including precision manufacturing technology
- Financial services

Benefits

For 2009, otherwise eligible businesses will have access to 10 years of benefits.

- **Corporate Income Tax Credit** (100%, Years 1-5; 50%, Years 6-10): the tax credit benefit derives from net new PTDZ payroll and property as a percentage of all Maine payroll and property;
- **Insurance Premiums Tax Credit** (100%, Years 1-5; 50%, Years 6-10): the tax credit benefit derives from net new PTDZ payroll and property as a percentage of all Maine payroll and property; (only applies to Financial Services sector)
- **Income Tax Reimbursement** (80%, Years 1-10): the tax reimbursement benefit derives from income taxes withheld for net new jobs created, i.e. those qualified employees hired above the “old” employment baseline that existed in Maine prior to the expansion may be eligible for Employment Tax Increment Financing;

- **Sales and Use Tax** (100% Personal Property Exemption, Years 1-10): the tax exemption benefit, effective the later of July 1, 2005 or date of certification, derives from the qualified business paying no tax on all new tangible personal property purchases for its qualified business activity;
- **Sales and Use Tax** (100% Real Property Reimbursement, Years 1-10): the tax reimbursement benefit, effective the later of July 1, 2005 or date of certification, derives from paying no tax on all new tangible property purchases that are to be physically incorporated in, and become a permanent part of, real property of a qualified business and used in its qualified business activity;
- **Access to Reduced Electricity Rates** as requested by Central Maine Power, Bangor Hydro Company and Maine Public Service and approved by the Public Utilities Commission

A company seeking PTDZ certification should contact Dana Lee, Poland Town Manager for assistance in applying.