



Maine Dirigo Business Incentives

The Cooperative Value

Owned and governed by the same farmers, fishermen and forestry members who borrow from us.



Maine Office Locations

Auburn



Ethan Robertson
Consultant

Presque Isle



Autumn Dow, CPA
Tax Specialist



Eligible Business Sectors

Agriculture, forestry and fishing

Manufacturing

Long-distance freight transportation



What is it?

Ten percent of the eligible capital investment placed in service

OR

Five percent of the eligible capital investment placed in service in Cumberland, Sagadahoc and York counties;



Credit Cap

\$2 Million per business per year (taken over 5 years)

Refundable up to \$500K/year



What is it?

Two thousand dollars for each qualified employee engaged in a qualified employee training program provided by the business completed in the tax year



Qualified Training Programs

Programs registered under the [Maine Apprenticeship Program](#)

An on-the-job training contract through a [Local Workforce Board](#)

A training provided by or approved for funding from the [Maine Community College System](#)

Education or training provided by the University of Maine System or other accredited university or college in this State



What is it?

Eligible capital expenditures that exceed \$50,000 that was placed in service during the year.



Example

A farmer spending \$120,000 on eligible business property, depending on the county where the property is placed in service, can get at most 10% of \$70,000, or \$7,000.



What Counts

Must be used in Maine

Must be used exclusively for a qualified activity

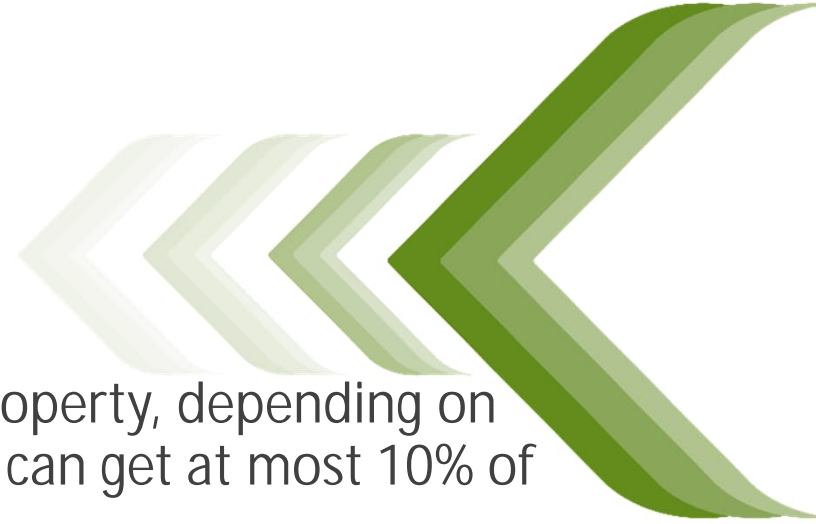
Must be placed in serviced and subject to depreciation



What Counts - Example

A farmer spending \$120,000 on eligible business property, depending on the county where the property is placed in service, can get at most 10% of \$70,000, or \$7,000. Assuming:

- The property is used in Maine
- Exclusively for farming
- Placed in service



What Doesn't Count

Property with a depreciable useful life of less than 5 years;

Property purchased or transferred from an affiliated business;

Property located at a retail sales facility and used primarily in a retail sales activity.



What Doesn't Count

A vehicle/watercraft on which a tax has been imposed

Qualified rehabilitation property used to calculate the credit for rehabilitation of historic properties

Real property placed in service in the state before the tax year for which a credit is sought.



Farms

Most capital assets on a farm will qualify since they have depreciable life of 5 years or greater.



Recapture

The credit will be recaptured if the eligible business property forming the basis of the credit isn't used for the entire 5-year period following the date it is placed in service.

Additionally, unused carry-over over amounts will be disallowed if the taxpayer undergoes a layoff.



Ineligible

A public utility

A business certified as a qualified Pine Tree Development Zone business.

A business with a certificate of approval for the Maine Employment Tax Increment Financing Program.

A business with a certificate of approval for one of the tax credits allowed under

section 5219-RR or 5219-YY(i.e. shipbuilding facility and paper manufacturing facility investments).



Ineligible - Layoffs

A reduction in workforce

with 20 or more persons employed (prec. 4 qtrs.)

At least 2 consecutive months within the same tax year of at least 20% of the qualified business's employees in this State.

Catastrophic event exclusion.



Comprehensive Example



Farmer Don, a potato farmer in Aroostook County receives his certification on January 15, 2025, and purchases \$140,000 of eligible business property in March. Farmer Don would be eligible for 10% of the investment over \$50,000, or \$90,000 in a refundable credit. He would receive \$9,000 in a refundable tax credit.

Comprehensive Example

Farmer Don, a potato farmer in Aroostook County receives his certification on January 15, 2025, and purchases \$140,000 of eligible business property on January 10th.

Farmer Don would not be eligible for the tax credit in this case.



Comprehensive Example



If Farmer Don spent \$20,000,000 on a major farm expansion that spent \$20,000,000 on eligible business property, he would have a \$19,950,000 credit base. That would yield \$1,995,000 in tax credits. \$500,000 would be refundable with \$1,495,000 carrying over to the subsequent years.

How to Apply

[Apply Online](#)



Funding Program
Dirigo Business Incentive

Status	Start Date	End Date
In progress	7/1/2024	12/31/2050

Funding Program Name
Dirigo Business Incentive

Status
In progress

Grant Manager Email
shae.mcgehee@maine.gov

Program Type
Tax Incentive

Manager 
Shae McGehee

▼ Description

Description

The Dirigo Business Incentive offers eligible businesses the opportunity to greatly reduce state taxes for up to 5 years when they make significant capital investments or provide qualified employee training in certain business sectors. The benefits include a 10% capital investment tax credit which includes equipment, machinery, and building construction and a \$2,000 per worker that is provided an eligible training program.

Application

Development location

NAICS Code/Business description

Projected 5-year capital investment

Projected workers in qualified training



How to Apply

Certification by the state

Lasts for 5 years

Eligible capital investment only counts those expenditures incurred by the farmer after receiving the letter of certification.

Must intend to place in service (train) w/in 2 years



Questions ?

