

4/25/17

**TAXATION COMMITTEE**

jsj 4/25/2017 9:08 AM

**1<sup>ST</sup> REG SESSION**

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY18	FY19
16	515	4/19		Foley	An Act To Exempt Certain Individuals Who Are 70 Years of Age or Older from Maine Income Tax	Provides a 100% income tax exemption for a retired individual who is 70 years of age or older. An individual is considered retired if the individual: 1. Works an average of fewer than 20 hours per week 2. Receives less than \$10,000 compensation for the year, and 3. Receives Social Security or pension from nonSSA-covered employment.			
26	601	4/6	4/12	Cebra	An Act To Lower the Maine Motor Vehicle Excise Tax	This bill reduces motor vehicle excise tax mill rates by 10% each year beginning with 2018 registration years until the rates reach 50% of the current rates in 2022 and subsequent years.  MRS MVRSS reports that municipalities collected more than \$221 million in MVET revenue in 2015 (32 municipalities did not report)	ONTP		
27	503	2/1	2/15 4/13	Turner	An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax	This bill provides a sales tax exemption to parent-teacher organizations organized as public benefit corporations.  "Public benefit corporation" is defined in nonprofit corporation law, 13-B MRSA §1406. See statute (pink).  2/15 WS – tabled	OTPA	<u>Estimated annual revenue loss</u> (\$10,000+)	
72	891	2/15	3/1	Pouliot	An Act To Clarify the Tax Laws for Title to Real Estate by Releasing Inheritance Tax Liens	This bill releases a lien on real property for inheritance tax resulting from a death occurring before July 1, 1986, when the inheritance tax was replaced by the estate tax.	OTP	No revenue impact	

<sup>1</sup> . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

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73	473	3/27	4/12	Mastraccio	An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age	This bill raises the homestead property tax exemption to \$50,000 for persons who are 75 years of age or older and claimed the homestead as a permanent residence for 10 or more years. Begins 4/1/18 tax years.  The bill requires the State to reimburse municipalities for 100% of the additional property taxes lost as a result of the increase in the exemption.	ONTP OTPA		
74	474	3/22	4/11	Mastraccio	An Act To Realign the State-Municipal Revenue Sharing Distribution	<u>Concept draft:</u> The bill proposes to realign the percentage of revenue from the sales and use taxes, the service provider tax and the income taxes that is transferred monthly from the General Fund to the Local Government Fund under state-municipal revenue sharing.	ONTP		
75	1099	2/1	2/15	Spear	An Act To Provide a Sales Tax Exemption for Materials and Equipment That Enable Older Persons and Persons with Disabilities To Remain in Their Homes	This bill provides a <u>sales tax</u> exemption for <u>materials and equipment</u> determined by the Maine State Housing Authority <u>to enable homestead accessibility</u> for an individual who is <u>75 years of age or older</u> or an individual with a disability or physical hardship to permit the individual to remain in the individual's home.  36 MRSA §5219-NN provides income tax credit for similar expenditures. See statute.  MRS – opposes – complexity/difficult to administer	ONTP	(<\$100,000)	
76	133	2/1	2/15 4/13	Tepler	An Act To Exempt Diapering Products from the Sales Tax	This bill provides a sales tax exemption for disposable and reusable diapers for children, diaper covers and wraps that are used with reusable diapers and diaper pins.  MRS opposes – inefficient/target to benefit those most in need. Better to use sales tax fairness credit.  2/15 WS -- tabled	OTPA/ ONTP	Estimated annual revenue loss (\$1,600,000+)	
77	79	2/15	3/1 4/5	Espling	An Act To Exempt from Maine Income Tax Income Earned by Members of the Armed Services While on Active Duty	This bill provides an income tax exemption for military compensation for active duty service by members of the armed forces of the United States when that service is performed within the State. Military compensation for service performed outside of the State by a service member whose permanent duty station is outside the State is currently exempt from taxation.	ONTP		

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79	552	2/1	2/15	Langley	An Act To Provide a Sales Tax Exemption for Career and Technical Student Organizations	This bill provides a sales tax exemption to nonprofit career and technical education student organizations recognized by the Department of Education.  MRS -- NFNA	OTPA	(<\$20,000)	
82	344	3/1	3/8 4/5	Diamond	An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax	This bill provides a <u>complete property tax exemption</u> in the municipality of residence <u>for a veteran receiving benefits based on a rating of 100% for a service-connected disability.</u>  <u>Current exemption (generally also applies to widows, widowers and surviving minor children):</u> \$6,000 Standard war-period exemption vets \$7,000 WW1 veterans \$40,000 paraplegic vets with specially adapted housing units <u>Maine Constitution requires 50% reimbursement to municipalities for tax losses due to new property tax exemptions.</u> (Art. IV, Part 3, Sec. 23)	ONTP/ OTPA	50% reimbursement \$2.5 million/year	
91	1189	2/27	3/6	Davis	An Act To Provide an Income Tax Credit for Retailers Collecting Sales Tax	This bill provides an income tax credit of \$100 for retailers who collect, report and remit to the State more than \$1,000 in sales tax during the tax year.  Under current law retailers retain "breakage" as compensation for collection.  Maine Retail Association indicated preference for assistance in the form of sales tax deduction rather than income tax credit. MRA indicated at public hearing that a bill would be coming that would "pay for cost" of assistance to retailers collecting sales tax by taxing certain online sales.  <u>Technical concern:</u> Needs application date.	ONTP	\$2.5 to \$5 million per year	
116	119	3/6	4/13	Golden	An Act To Increase Funding for Multimodal Transportation	This bill increases the sales tax on short-term rentals of automobiles, small trucks and vans from 10% to 15% to provide funding for multimodal transportation. The increase takes effect October 1, 2017.	ONTP/ OTPA	When fully implemented (FY 20) Estimated annual gain to the	

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						Under <u>current law</u> (23 MRSA §4210-B) <u>all revenue from the sales tax on short-term rental of the specified motor vehicles is transferred to the Multimodal Transportation Fund to be used for multimodal forms of transportation.</u>		Multimodal transportation Fund \$4.1 million.	
117	1086	3/1	3/8 4/3 4/13	Alley	An Act To Strengthen the Farm and Open Space Tax Law	<p>This bill provides that a landowner with acreage classified under the farm and open space tax law who wishes to add contiguous acreage to a previously classified acreage must demonstrate to the assessor that the additional acreage separately meets the definition of "farmland" that is eligible for classification.</p> <p><u>3/1 MMA (Dufour) offered to meet with proponents to try to work out agreement.</u></p> <p><u>3/8 Amendment presented by MMA to provide</u>  1) that land on an <u>island separated at high water mark or high tide could not be considered "contiguous"</u> and  2) that <u>farm woodland exceeding 10 acres</u> would need to have a <u>forest management plan</u> as required under TGTL.</p> <p>tabled 3/8 for MMA to work with sponsor and MRS on refinements</p> <p><u>4/13 reconsidered and revoted</u></p>	OTPA	No estimate available	
133	620	4/5	4/11	Bellows	An Act To Support Lower Property Taxes by Restoring State-Municipal Revenue Sharing	Current law reduces the amount transferred to the Local Government Fund for state-municipal revenue sharing from 5% to 2% for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19. This bill gradually restores the percentage transferred for state-municipal revenue sharing by increasing the percentage transferred to the Local Government Fund to 3% for fiscal year 2017-18 and to 4% for fiscal year 2018-19. Following fiscal year 2018-19, the percentage of state-municipal revenue sharing is scheduled to return to 5%.	OTPA OTPA ONTP		
204	274	3/1	3/8	Daughtry	An Act To Exempt Veterans with ALS from the Excise Tax on Automobiles	This bill exempts from motor vehicle excise tax an automobile owned by a veteran who has been diagnosed with amyotrophic lateral sclerosis.	ONTP	Unknown municipal revenue decrease Potential minor GF revenue decrease	

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205	1280	2/15	3/1 3/22	Ordway	An Act To Exempt Certain International Athletic Competition Prizes from Maine Income Tax	<p>This bill provides an income tax exemption for prizes awarded as the result of competition in certain international athletic contests.</p> <p><u>Sponsor indicated at PH that should expanded to include paralympics.</u></p> <p>Federal P.L. 113-239 enacted in 2016 excludes from federal gross income Olympics and Paralympics medals and cash prizes for individuals whose FAGI is less than \$1,000,000. This treatment will flow through to Maine income tax.</p> <p><u>MRS – administrative concerns</u> Tabled 3/6 to consider with conformity bill LD 885.</p>	ONTP	Negligible revenue loss	
206	9	3/6	4/13	Campbell	An Act To Exempt Feminine Hygiene Products from Sales Tax	<p>This bill provides a sales tax exemption on the purchase of feminine hygiene products.</p> <p>Feminine hygiene products are defined as products used with respect to menstruation including tampons, pads liners and menstrual cups.</p> <p>According to 7/21/16 Newsweek article 6 states with a sales tax exempt feminine hygiene products (Maryland, Massachusetts, Minnesota, New Jersey, New York, Pennsylvania)</p> <p>4/13 WS vote OTPA(7)/ONTP(6)</p>	OTPA/ ONTP	Estimated annual loss of revenue (\$800,000)	
235	140	2/15	3/1	Brakey (by request)	An Act To Repeal the Service Provider Tax	<p>This bill repeals the service provider tax effective October 1, 2017.</p> <p>Service provider tax is a tax at the rate of 6% on the following services:</p> <p><u>Revenue to GF (FY 16 \$44,916,959):</u></p> <ol style="list-style-type: none"> <li>1. Cable and satellite TV and radio</li> <li>2. Fabrication services</li> <li>3. Rental of video media and equip.</li> <li>4. Rental of furniture, audio media and equip.</li> <li>5. Telecommunication services</li> <li>6. Installation, maintenance or repair telcom equipment</li> <li>7. Ancillary telcom services</li> </ol>	ONTP		

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						Revenue to Medicaid match fund (FY 16 \$40,128,998) 1. Private nonmed institution services (PNMIs) 2. Community support servs (mental health) 3. Community support servs (intellectual disabil/autism) 4. Home support services 5. Group residential servs (brain injuries)  6. Tax is imposed on provider but may be passed on and separately stated to consumer.			
289	185	3/1	3/8 4/5	Stanley	An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty	Current law provides a property tax exemption to a veteran of the Armed Forces of the United States but only if the veteran served during a federally recognized war period and is at least 62 years of age or was disabled during active military service. \$6,000 Standard war-period exemption vets \$7,000 WW1 veterans \$40,000 paraplegic vets with specially adapted housing units <b>This bill</b> removes the requirement that the veteran must have served during a federally recognized war period, making the exemption available to all veterans of the Armed Forces of the United States who are 62 years of age or older or have qualifying disabilities. This bill does not change the amounts of the exemption or the other qualifying conditions.  <u>Maine Constitution requires 50% reimbursement to municipalities for tax losses due to new property tax exemptions.</u> (Art. IV, Part 3, Sec. 23)	OTPA/ OTPA/ ONTP	50% reimbursement \$450,000 to \$500,000/year	
290	901	4/10	4/18	Chace	An Act To Phase Out the Insurance Premium Tax on Annuities	This bill phases out the insurance premium tax on annuity considerations over 4 years beginning in 2018. Annuity considerations are no longer subject to insurance premium tax beginning in 2021.  Same proposal in 2015, LD 644 had a GF revenue loss of: 1 <sup>st</sup> year \$795,150 2 <sup>nd</sup> year \$1,867,700 3 <sup>rd</sup> year \$2,852,850 4 <sup>th</sup> year \$3,755,350	OTPA		

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291	318	3/20		Campbell	An Act To Maintain the Income Tax Rate on Persons with Taxable Income above \$200,000	This bill amends individual income tax brackets to decrease the rate of income tax imposed on the income of resident individuals in excess of \$200,000 from 7.15% to 4.15% to essentially negate the effect of the 3% surcharge.			
311	1897	2/27		Brakey	An Act To Eliminate Corporate Welfare and Provide Tax Relief	<u>Concept draft:</u> This bill proposes to eliminate certain corporate tax expenditures and use the savings to reduce individual income tax rates.			
330	988	2/27	3/6	Kornfield	An Act To Provide and Income Tax Credit for Employer Contributions to Section 529 Qualified Tuition Programs	This bill provides an income tax credit for tax years beginning on or after 1/1/18 to an employer that makes matching contributions on behalf of an employee to a qualified tuition program, sometimes referred to as a college savings program, established by the employee under Section 529 of the federal Internal Revenue Code.  The credit is equal to 50% of matching contributions up to \$1,000 per year.  The credit is not refundable but may be carried forward up to 15 years.	ONPT	Rough estimate \$200,000 per year  MRS indicates similar employer credits have not been widely used by employers	
337	800	3/20		Stetkis	An Act To Protect Jobs and the Maine Economy by Eliminating the 3% Income Tax Surcharge imposed on Certain Mainers and the Fund To Advance Public Kindergarten to Grade 12 Education	This bill repeals the provisions of the IB 2015, c. 4: 1. Establishing the Fund to Advance Public Kindergarten to Grade 12 Education, and 2. Imposing an income tax surcharge of 3% on taxable income of \$200,000 or more, which is the source of revenue for the fund.			
338	870	3/1	3/8 4/5	McLean	An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax	<u>Current law</u> provides a <u>motor vehicle excise tax exemption</u> for certain <u>amputee or blind veterans</u> .  This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.  <u>BMV estimates approximately 2700 vehicles would be eligible at average excise tax of \$300 for a total loss of excise tax revenue to municipalities of approximately \$800,000 (Hinkley email 3/2/17)</u>	ONTP/ OTP		

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368	1676	2/27	3/6 4/3	Guerin	An Act To Welcome Statewide Economic Investment	<p><u>Concept draft:</u> This bill proposes to provide incentives for statewide economic investment to businesses whose income is currently taxed at lower rates due to offshore investment of that income. This bill would offset federal taxes paid on repatriated income with state and local property tax, income tax and employment tax reductions. The offset of real estate, personal, property and employment taxes would be reduced over a 10-year period by an amount equal to federal taxes paid at an assumed tax rate of 10%.</p> <p>Repatriated profits are currently taxed at 35% at the federal level. Some current federal tax reform proposals have proposed reducing the rate.</p> <p><u>3/6 Tabled at request of sponsor to work on a draft.</u></p> <p><u>3/17 Phone message from sponsor indicates she will not be providing further info</u></p>	ONTP		
442	918	2/27	3/6	Davis	An Act To Create a Family Caregiver Income Tax Credit	<p>This bill provides an income tax credit of up to \$2,500 for certain uncompensated <u>eligible expenditures</u> incurred by a <u>family caregiver</u> for the care and support of an <u>eligible family member</u> 18 years of age or older.</p> <p><u>Eligible expenditures</u> include the</p> <ol style="list-style-type: none"> <li>1. <u>Improvement of or alternation to the caregiver's primary residence</u> to permit the eligible family member to remain mobile, safe and independent in the home and community;</li> <li>2. Caregiver's <u>purchase or lease of equipment</u> necessary to assist the eligible family member in ADLs; and</li> <li>3. <u>Cost incurred to assist the caregiver to provide care</u> to an eligible family member, such as expenditures related to hiring a home care aide, respite care, adult day care and transportation and for technology to assist the family caregiver to care for the eligible family member.</li> </ol> <p>A <u>family caregiver</u> is an individual who provides care</p>	table		MRS – could be large fiscal impact. existing credits overlap.



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						<p>and makes uncompensated eligible expenditures for one or more eligible family members and has a federal adjusted gross income of less than \$75,000 if the family caregiver is filing as a single individual or as a married person filing, separately and \$150,000 if the family caregiver is filing as a head of household or is filing a married joint return.</p> <p>An <u>eligible family member</u> is an individual who is 18 years of age or older who requires assistance with at least one activity of daily living, as certified by a qualified licensed health care practitioner, and is a dependent, spouse, registered domestic partner, parent or other relation by blood or marriage of the family caregiver or a registered domestic partner of the family caregiver.</p> <p><b>Current existing credits:</b>  <u>Child and dependent care credit</u> (36§5218). 25% of federal child and dependent care credit (applies to dependent adults)  <u>Adult dependent care credit</u> (36§5218-A). Portion of adult day care, hospice or respite services for eligible adult not included in child and dependent care credit.  <u>Credit for homestead modifications</u> (36 §5219-NN). Credit for home modifications to make home accessible for person with disability or physical hardship.</p> <p><u>3/6 Tabled for interested parties to draft an amendment.</u></p>			
492	64	3/22	4/11	Tepler	An Act To Restore Revenue Sharing	<p>Currently, state-municipal revenue sharing is decreased from 5% to 2% for fiscal years 2017-18 and 2018-19; it reverts to 5% beginning with fiscal year 2019-20.</p> <p>This bill reverts the percentage of state-municipal revenue sharing to 5% beginning October 1, 2017 but then requires a fixed portion of that amount to be transferred to the General Fund beginning in October 2017 and for all of fiscal year 2018-19.</p>	ONTP		
493	293	3/6	4/3	Melaragno	An Act To Tax the Extraction of Water for Certain Commercial Purposes and	This bill creates an <u>excise tax of 1¢ per 25 gallons of groundwater or surface water</u>	ONTP/ OTPA		

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					Fund Water Quality Programs	<p>1. <u>extracted from springs or other underground sources</u> in this State</p> <p>2. <u>by a bottled water operator that extracted more than 1,000,000 gallons in the previous calendar year</u></p> <p>3. <u>if the water is packaged for sale.</u></p> <p>The revenues from the tax, after reduction for administrative costs, are transferred to a <u>newly created Maine Water Quality Testing and Monitoring Fund</u> to be administered by the Department of Environmental Protection. Of the money transferred,</p> <p>1. 85% will support well water testing and</p> <p>2. 15% will support lake water quality monitoring and support.</p>			
513	998	2/27	3/6	Bellows	An Act To Eliminate the State Income Tax for Maine Public Employees Retirement System Pensions	<p>Retirement benefits received under state, local or federal government retirement plans that are based on employment compensation for which contributions are not made to the federal Social Security system result in reductions in the amount of Social Security benefits that a retiree is eligible to receive under the federal Windfall Elimination Provision.</p> <p>This bill provides a 100% income tax exemption for those retirement benefits similar to the current 100% exemption for military retirement benefits.</p> <p><u>3/6 Sponsor presented proposed amendment. Tabled</u> <u>Consider with budget pension proposal?</u></p>	Table	<p><del>\$30-\$50 million/year</del></p> <p>\$20 million/year (Allen 3/6)</p>	
541	1048	3/6	4/3 4/13	Hickman	An Act Regarding the Commercial Forestry Excise Tax	<p>Under current law the commercial forestry excise tax is imposed upon persons owning in aggregate more than 500 acres of commercial forest land "for the privilege of using one's land in commercial forestry enterprise." The tax collects revenue to <u>cover 40% of the cost of State forest fire protection activities</u>. The remainder is funded by federal and dedicated funds and the General Fund. The tax per acre is determined annually by dividing 40% of net state forest fire protection costs by the number of taxable acres.</p> <p>The <u>State Tax Assessor annually calculates the rate</u> of the excise tax imposed using information provided by the Commissioner of Agriculture, Conservation and Forestry regarding expenditures and revenue for forest</p>	ONTP/ OTPA		

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						<p>fire protection for the current and preceding year. Rates over the last 10 years have ranged between 38¢ (2007-9, 2011) per acre to 25.9¢per acre (2013)</p> <p>This bill establishes an excise tax of 26¢ per acre of commercial forest land. <u>The tax appears to eliminate the exclusion of the first 500 acres of forestland. It is not clear whether this is intentional as some portions of the law referring to 500 acres are not repealed.</u></p> <p>4/13 Reconsidered and revoted</p>			
571	1635	3/20		Dow	An Act To Eliminate the 3 Percent Surcharge on Certain Income and Provide an Alternative Funding Source for the Fund to Advance Public Kindergarten to Grade 12 Education	<p><u>Concept draft:</u> This bill proposes to eliminate the 3% surcharge imposed on individual income over \$200,000, which is imposed to fund the Fund to Advance Public Kindergarten to Grade 12 Education.</p> <p>This bill would replace the revenue from the surcharge with:</p> <ol style="list-style-type: none"> <li>1. Revenue from recreational marijuana (except law enforcement training), and</li> <li>2. Surplus revenue generated from growth in the Maine economy.</li> </ol>			
583	874	3/6	4/13	Libby	An Act To Improve the Tax Appeal Process for Maine Businesses and Consumers	<p>This bill expands the tax appeals process for taxpayers by permitting purchasers from whom sales tax or service provider tax has been collected to request a refund from the State Tax Assessor when taxes have been collected erroneously or illegally and the retailer or service provider has not refunded the tax.</p> <p>The bill also permits a person appealing a reconsideration determination to request the legal basis of the determination.</p> <p>4/13 Tabled for sponsor to talk to MRS to see if compromise.</p>	tabled	Admin costs \$490,619)	Admin costs \$485,061
620	1087	4/5	4/10	Pouliot	An Act To Restore the Tax Deduction for Contributions to College Savings Accounts	The bill restores an <u>income tax deduction for contributions to a qualified tuition program established under Section 529 of the United States Internal Revenue Code of 1986 that was repealed in 2015 and sets the deduction at a maximum of \$1,000 annually per designated beneficiary. The deduction</u>	ONTP/ OTPA		

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						<p>prior to repeal in 2015 was capped at \$250 per designated beneficiary.</p> <p>The change applies to tax years beginning on or after January 1, 2017.</p> <p>The 2016-17 "red book" estimated that 5400 taxpayers were affected at an estimated cost of \$270,000 to \$290,000 with a \$250 deduction cap..</p> <p>Under federal law (which follows through to Maine law) <u>distributions</u> from Sec. 529 accounts used for qualified Higher education expenditures are excluded from gross income.</p> <p>Federal law has no tax benefit for <u>contributions</u> to a Sec. 529 account.</p>			
621	970	4/24		Tippling	An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code	<p><b>Concept draft:</b> This bill proposes to recruit and retain professionals in Maine by:</p> <ol style="list-style-type: none"> <li>1. Creating or enhancing certain <u>tax credits</u>, such as the dental care access credit and primary care access credit, which provides a tax credit for dentists and medical professionals practicing in an underserved area of the State; and</li> <li>2. Creating or enhancing <u>loan and loan forgiveness programs</u>, such as the Educators for Maine Program and the Health Professions Loan Program, which provides loans to students in the areas of education or health who then agree to complete a certain length of service in Maine in return for forgiveness of those loans.</li> </ol>			
664	1896	4/10	4/18	Brakey	An Act To Exempt Gold and Silver Coins and Bullion from Sales Tax	<p>This bill provides a sales tax exemption for sales of gold and silver coins and bullion.</p> <p>"Bullion" is gold, silver in the form of bars, ingots or plates.</p> <p>LD 1007 in the 126<sup>th</sup> Legislature proposed a sales tax exemption for gold and silver coins minted by the U.S. Treasury – full year revenue impact \$500,000+</p>	ONTP		

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						Needs effective date.			
707	1685	4/6	4/12	Ordway	An Act To Base the Motor Vehicle Excise Tax on the Purchase Price of the Motor Vehicle	<p>This bill changes the method of computing the excise tax that is levied on motor vehicles and camper trailers registered in the State.</p> <p><u>Under current law</u>, the MVET is generally based the <u>maker's list price</u> for the motor vehicle; except that the excise tax on <u>certain commercial motor vehicles and buses and special mobile equipment</u> is based on the <u>purchase price</u>.</p> <p><u>BMV reimburses</u> municipalities for difference between maker's list price and purchase price for eligible commercial vehicles using revenues under the International Registration Plan.</p> <p>The bill requires that the excise tax for all motor vehicles and camper trailers be based upon the purchase price of the vehicle. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.</p> <p>Administrative concerns raised at public hearing on how to obtain and track original purchase price.</p> <p><u>MMA estimates \$20,000,000 annual revenue loss to municipalities. BMV estimates loss at approximately \$14 million</u></p>	ONTP		
708	1078	4/27		Denno	An Act To Use Taxes on Nonmedical Marijuana and Increase the Tax on Cigarettes To Partially Offset the 3% Income Tax Surcharge	<p>This bill increases the sales tax on nonmedical marijuana from 10% to 15% and the tax on cigarettes from \$2.00 per pack of 20 cigarettes to \$2.50 per pack. The bill provides that revenue from these increases is deposited in the newly created Surcharge Relief Fund to be used to reduce the rate of the 3% surcharge on taxable income exceeding \$200,000. The bill contains an effective date of October 1, 2017.</p>			
727	1432	4/12	4/20	Stetkis	An Act To Protect the Tax Base of Municipalities by Removing the Property Tax Exemption for Land Held for Conservation or Public Access Purposes	<p>This bill provides that holding land primarily for conservation or public access purposes is not a benevolent or charitable purpose necessary for obtaining a property tax exemption</p> <p>The change applies to property tax years beginning on or after April 1, 2018.</p>	ONTP/ OTP		

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						The same language was presented in the 127 <sup>th</sup> Legislature, 2d Reg and voted ONTP (LD 1667-Governor's bill).			
733	1350			Tipping	An Act Regarding Maine's Tax Code	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to make changes to certain taxes imposed pursuant to Maine Law.			
741	260			Stearns	An Act To Provide Equity in Education Funding	This bill allows a municipality that is a member of a school administrative unit receiving the minimum state share for education funding to impose by referendum a local option sales tax of up to 1% to be used for funding kindergarten to grade 12 education and reducing the property tax rate. This bill also repeals a provision of the education funding laws calculating a minimum state share of costs based on a percentage of special education costs.	LVWD		
779	2004	4/6	4/12	Martin, JL	An Act To Allow Aroostook County To Create Tax Increment Financing Districts	This bill authorizes Aroostook County to establish development districts qualifying for tax increment financing within the county in the same manner that a municipality or plantation may establish such a development district.  Current law permits counties to act as a municipality with regard to the establishment of TIF development districts I the unorganized territory.	ONTP		
781	1987	4/5	4/18	Herbig	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	This bill provides an <u>income tax credit</u> to employers with <u>apprenticeship programs</u> approved by the Department of Labor.  The credit is equal to <u>\$2,500 for each registered apprentice</u> employed by the taxpayer during the taxable year in an approved apprenticeship program.  <u>4/18 OTPA (13-0)</u> Sponsor's proposal to provide proportional credit for apprenticeship programs where apprentices may be employed by multiple employers and to address partial year situations.  MRS has concerns about whether the credit is administrable. as well as technical concerns.	OTPA		

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782	2146	4/10	4/18	Sanderson	An Act To Provide a Sales Tax Exemption for Certain Veterans' Facilities	<p><u>Concept draft:</u> This bill proposes to create a sales tax exemption for goods purchased by certain veterans' facilities.</p> <p>Sponsor proposed language submitted in public hearing testimony.</p>	OTPA		
783	1112		4/24	Stewart	An Act Regarding Business Income Tax	<p><u>Concept draft:</u> This bill proposes to provide an <u>income tax credit</u> for a business that makes a <u>voluntary contribution</u> to fully or partially fund a qualifying local project that would otherwise need to be funded by the State.</p> <p>Qualifying projects would include those funded through the Maine Municipal Bond Bank or local projects involving high-priority infrastructure or otherwise approved by a municipality as a priority project.</p>			
784	343	3/27	4/10	Tipping	An Act To Prevent Tax Haven Abuse	<p>This bill requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions considered to be "tax havens" in net income when apportioning income among tax jurisdictions.</p> <p>The State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income and to submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.</p> <p>This bill is similar to LD 341 which died between Houses in the 127<sup>th</sup> Legislature. (<u>Revenue impact estimate on LD 341 approximately \$5,500,000</u>)</p> <p><u>See MRS memo.</u></p>	OTPA/ ONTP	Admin costs: \$399,889	Admin costs: \$306,388
829	1826	3/20		Diamond	An Act To Increase the Income Tax Surcharge Threshold Imposed on Households	<p>Current law (IB 2015, c. 4) requires, for TYs beginning on or after 1/1/17, a 3% income tax surcharge on incomes over \$200,000 (regardless of filing status)</p> <p>This bill provides that, for tax years beginning on or after 1/1/18, the threshold for the 3% surcharge is increased</p>			

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						to \$300,000 for taxpayers filing as heads of households and to \$400,000 for taxpayers filing married joint returns or surviving spouses permitted to file a joint return. Single individuals and married persons filing separate returns are still subject to the surcharge on taxable income over \$200,000.			
851	303	3/20		Sirocki	An Act To Repeal and Subject to Referendum in 2018 the Fund To Advance Public Kindergarten to Grade 12 Education and the 3 Percent Income Tax Surcharge	<p>Part A of this bill <u>repeals the provisions of IB 2015, c.4:</u> the 3% surcharge imposed on taxable individual income over \$200,000 for tax years beginning in or after 2017 and the Fund to Advance Public Kindergarten to Grade 12 Education, both as enacted in Initiated Bill 2015, chapter 4. The repeal is retroactive to the effective date of the initiated bill.</p> <p>Part B of this bill <u>reenacts the same provisions:</u> a 3% surcharge on taxable individual income over \$200,000 for tax years beginning in or after 2019 and it enacts the Fund to Advance Public Kindergarten to Grade 12 Education, <u>but only if approved by the voters at referendum in November 2018.</u></p>			
874	1711	4/6	4/20	Denno	An Act To Expand the Authority of Municipalities To Implement a Property Tax Deferral Program	<p><u>Current law</u> authorizes municipalities to adopt property tax deferral programs for homesteads of residents who;</p> <ol style="list-style-type: none"> <li>1. are least 70 years of age,</li> <li>2. have resided in the municipality for at least 10 years</li> </ol> <p>AND</p> <ol style="list-style-type: none"> <li>3. have household income not exceeding 300% of federal poverty level.</li> </ol> <p><u>This bill repeals current statutory requirements for eligibility</u> and permits municipalities to adopt a property tax deferral program by <u>permitting the program to include individuals based on factors such as age, income or assets.</u></p>	ONTP/ OTP		
875	824	3/22	4/11	Cebra	An Act To Reduce Property Tax	<p>This bill changes the formula for calculating distributions of state-municipal revenue-sharing funds. The bill provides that revenue-sharing funds will be distributed only to municipalities with mill rates exceeding 10 mills. The bill also provides an adjustment that results in greater reimbursements to municipalities that have a lower mill rate than their average mill rate for the preceding 5 years than to municipalities that do not. The new distribution formula applies beginning in the</p>	ONTP		



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						2018-19 fiscal year.			
885	723	3/20	3/22	Dow	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	<p><u>DAFS bill:</u> <u>Emergency bill</u></p> <p>This bill updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986, <u>as amended through December 31, 2016</u>, for tax years beginning on or after January 1, 2016 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended. This bill primarily affects the State's income tax laws.</p> <p><u>Emergency bill</u> takes effect when approved.</p> <p>MRS indicated this bill <u>incorporates 2 provisions enacted at the federal level in 2016</u></p> <ol style="list-style-type: none"> <li>1. Permitting certain <u>combat veterans</u> to amend returns to recover certain taxes improperly withheld.</li> <li>2. Excludes from gross income the value of <u>medals and prizes paid by US Olympic Committee</u> for Olympic and Paralympic Games for persons with \$1,000,000 or less</li> </ol> <p>MRS asks Committee to hold the bill to accommodate potential future changes at federal level.</p>	OTPA no		
887	1898	3/22	4/11	Brakey	An Act To Provide Relief to Maine Property Tax Payers	<p><u>Concept draft:</u> This bill proposes to change the method for providing property tax relief through State-municipal revenue sharing by providing benefits directly to property tax payers <u>through a state tax credit rather than through distributions to municipalities.</u></p> <p>The <u>maximum</u> an individual taxpayer could receive would be <u>80% of the individual's annual property tax bill.</u> The maximum a corporate taxpayer could receive would be <u>40% of the corporation's annual property tax bill.</u></p> <p>The credit would be calculated as a percentage of total revenue sharing funds attributable to the municipality where the taxpayer's property is located and the</p>	ONTP		

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						taxpayer's annual property tax liability as a percentage of annual property tax liability statewide.			
904	441	4/6	4/12	Johansen	An Act To Require the County Commissioners To Adjust the Assessed Value of a Municipality When They Grant an Abatement Request	<p>Under current law, if a property taxpayer requests an <u>abatement</u> and is denied by the assessors or municipal officers, and <u>if the municipality has no board of assessment review, the taxpayer may appeal to the county commissioners.</u></p> <p>This bill requires the county commissioners for a municipality or primary assessing area to whom an appeal of an assessment has been made to adjust downward the valuation of the municipality or primary assessing area if the county commissioners grant the abatement. The adjustment must be equal to the amount of the abatement.</p> <p><u>The language of this bill does not clearly indicate the intent of the bill.</u> Testimony of sponsor appears to indicate that the concern is that when an abatement is granted it does not flow through to determination of state valuation for 2 years (and state valuation used in education funding is on a 3-year delay after that). Municipality may apply for "sudden and severe" adjustment of SV but must meet eligibility requirements and application can be difficult and costly.</p>	ONTP		
915	993			Hymanson	An Act To Lower Property Taxes	This bill requires payments beginning in fiscal year 2018-19 to a municipality of an amount, as determined by the State Tax Assessor, equal to 5% of the sales and use tax revenue attributable to the municipality in the previous fiscal year. The amount received may not reduce any other state aid or revenue sharing received by that municipality, and amount. The Unorganized Territory Education and Services Fund receives the local sales tax payment for the unorganized territory and is subject to the same requirement to use the revenue to reduce property taxes.			
928	426	4/5	4/10	Picchiotti	An Act Requiring a Dynamic Fiscal Analysis of Changes to Visual Media Production Tax Credits and Reimbursements	<p><u>Emergency bill. Takes effect when approved.</u></p> <p><u>Part A</u> of this bill requires <u>DECD</u> to undertake by <u>August 1, 2017</u> a <u>pilot project to develop and evaluate a tax simulation model for state dynamic fiscal analysis of potential changes to the certified visual media production credit and the visual media production</u></p>	ONTP/ OTPA		

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						<p><u>reimbursement</u>. MRS and OFPR are required to evaluate the pilot project and determine whether changes proposed in Part B have a positive or negative impact on state revenue. Report required 8/15/17.</p> <p><b>Part B</b> of this bill</p> <ol style="list-style-type: none"> <li><u>repeals the certified visual media production credit and instead</u></li> <li><u>increases the reimbursement amount for certified production wages paid from 12% to 25% for residents of Maine,</u></li> <li><u>increases the cap on the reimbursement of wages from \$50,000 to \$100,000 and</u></li> <li><u>provides for a reimbursement of 20% of nonwage visual media production expenses.</u></li> </ol> <p><u>These changes take effect only if MRS and OFPR determine that the changes proposed in this Part would result in a positive fiscal impact on state revenue.</u></p>			
935	522	4/5	4/10	Blume	An Act To Exempt from Taxation Certain Out-of-state Pensions	<p>This bill provides an income tax exemption for certain income from out-of-state pensions in order to avoid double taxation of that income.</p> <p>The exemption is calculated as the <u>total amount of the contribution made by the taxpayer that was taxed in the other state divided by the life expectancy of the taxpayer</u> and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction.</p> <p>In order to qualify for the exemption, <u>the contribution must have been made using income on which income tax was paid</u> and is available <u>only if</u> the state provides reciprocity to former residents of Maine.</p>	ONTP/ OTPA		
936	860	4/27		Harvell	An Act To Modernize and Simplify the Tax Code	<p>This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to modernize and simplify the tax code.</p>			
945	1860	3/27		McCreight	An Act To Reduce the Burden of Tobacco-related Illness by Increasing Revenue from the Cigarette Tax for Use for Tobacco Cessation	<p>This bill <u>increases the cigarette tax</u> from \$2.00 to \$3.50 per pack of 20 cigarettes, beginning November 1, 2017.</p> <p>This bill also provides:</p> <ol style="list-style-type: none"> <li>Increased funding in the amount of <u>\$8,100,000</u> per year in ongoing funding to the Maine Centers</li> </ol>			

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						for Disease Control and Prevention <u>for tobacco use prevention and cessation</u> in order to align with United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations; and 2. Increased MaineCare funding of <del>\$1,000,000 in fiscal year 2017-18 and \$750,000 thereafter</del> for Maine Care members for <u>tobacco cessation mediations and counseling.</u>			
946	169	4/5	4/10	Daughtry	An Act To Provide an Income Tax Credit for Students Returning to College	Concept draft.  This bill proposes to enact an income tax credit for individuals who are returning to postsecondary education after an absence of several years to help those individuals complete their degrees.  <u>Sponsor suggests carrying bill over</u> to wait for the work of then newly appointed Task Force of Maine's 21 <sup>st</sup> Century Economy and Workforce which is scheduled to report in March 2018.	OTPA/ ONTP		
947	1958	4/5	4/18	Herbig	An Act To Support Employees with Significant Commutes	This bill provides an <u>income tax credit</u> for an individual with a <u>round-trip commute of at least 50 miles</u> between the individual's primary residence and primary place of employment. The credit is <u>equal to 25¢ per mile plus tolls</u> . The credit does not apply to miles or tolls for which the individual claims a deduction from federal income tax or if the individual is compensated by the employer.  <u>4/18 OTPA(7)/ONTP(6)</u> Amendment changes commute distance to 70 miles and sets flat credit of \$1000 total annual eligible mileage for 10,000+ miles and \$5000 for 5,500 to 10,000 miles. Also removes tolls from calculation of credit.	OTPA/ ONTP		
959	1861	4/27		Chenette	An Act To Expand Property Tax Relief for Maine Residents	This bill requires that 1% of surplus General Fund revenue be transferred annually to a nonlapsing fund to be used to increase the maximum property tax fairness credit.			
974	2077	3/27	4/11 4/24	McLean	An Act To Increase the Homestead Exemption	This bill increase the total exemption under the Maine resident homestead property tax exemption program to \$30,000 for property tax years beginning on or after April 1, 2018.	OTPA/ ONTP		

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						Property tax losses attributable to the increase would be reimbursed to municipalities at the same rate of 62.5% that applies to current exemptions.  <u>4/11 Tabled</u> for members to work on possible compromise. OTPA motion was on the table with amendment being to reimburse municipalities 100% for all homestead exemptions not just the increase.			
1023	1883	4/10	4/18	Black	An Act To Provide a Sales Tax Exemption for Baling Twine	This bill provides a sales tax exemption for all baling twine for hay beginning 10/1/17.  <u>Current law</u> exempts packaging materials (including twine) used for products for sale but not for own use.	OTPA		
1027	1372	4/10	4/18	Saviello	An Act Regarding the Taxation of Certain Nonprofit Organizations	This bill provides a sales tax exemption for sales of prepared food by a civic, religious or fraternal organization, including an auxiliary of such an organization, at a public or member-only event, except when alcoholic beverages are available for sale at the event, for up to 24 days during a calendar year.  The language of this bill was enacted by the House and Senate in 2016 (LD 1613) but the bill was held by the Governor at the end of the session and did not become law.  2016 Fiscal note estimated GF revenue loss of enacted version as minor.	OTPA		
1071	1386	4/6	4/12	Saviello	An Act To Modify the Tax Increment Financing Laws	This bill amends the tax increment financing laws with regard to authorized TIF costs for services and equipment used to provide skills development and training. The bill caps the amount that may be included at 20% of total project costs and by requiring funding priority to be given to services, equipment and training for jobs created or retained in the municipality, plantation or unorganized territory.  <u>Sponsor indicated at public hearing that he is working with Comm. DECD on a non-statutory solution.</u>	ONTP		

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1076	1519	4/12	4/20	Hanington	An Act To Replace Municipal Property Tax Revenue Lost Due to Land Acquisitions under the Land for Maine's Future Fund	This bill requires that if a Land for Maine's Future acquisition removes a taxable property from the tax roll of a municipality or the unorganized territory on or after April 1, 2018, the State annually must reimburse the municipality or unorganized territory in an amount equal to the property tax the municipality or the unorganized territory would have received for that property.  If bill moves forward, the process for reimbursement and impact on state valuation would need to be clarified.	ONTP		
1078	2265	4/25		Tipping	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2017-18	Annual bill submitted by the Fiscal Administrator of the Unorganized Territory to establish the municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality.  The municipal cost components constitute the basis for the calculation of property tax for the unorganized territory.			
1106	1185	4/10	4/18 4/24	Parry	RESOLUTION, Proposing an Amendment to the Constitution of Maine To Dedicate All Sales Taxes from All Vehicle Sales and Any Vehicle-related Sales to the Highway Fund for Roads and Bridge Capital Improvements	This resolution proposes to amend the Constitution of Maine to dedicate all sales and use tax revenue from sales of motor vehicles and sales related to motor vehicles to the Highway Fund for roads and bridge capital improvements. Begins July, 2019  Tabled till 4/24 for sponsor to work on details.  4/24 Tabled for more work	Tabled		
1121	1666	4/12	4/20	Kinney	An Act Regarding the Exclusive Use of Tax Exempt Property (By request)	<u>Current law</u> provides a property tax exemption for property of benevolent and charitable incorporated institutions and to scientific and literary institutions. In order to qualify, the property must be owned and occupied or used solely for the institution's own purposes. Law court cases have held that "incidental" use of the property by outside groups does not violate the condition of sole use. "Profits" must be devoted exclusively to the purposes for which it is organized.  <u>This bill</u> specifies that the exemption does not apply if the property is used incidentally in the provision of goods, services or materials in exchange for any type of consideration.	ONTP/ OTP		

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1123	2105	4/19		Dion	Act To Allow an Income Tax Deduction for Interest Paid on Student Loans	<p>This bill provides an <u>additional income tax deduction for interest paid on qualified education loans</u> that exceeds the amount allowable under the United States Internal Revenue Code. The <u>maximum deduction is increased from \$2,500 to \$5,000</u> and the modified adjusted gross income <u>federal thresholds for phase-out of the deduction are increased</u> by \$15,000 for taxpayers filing as single individuals and \$30,000 for individuals filing a joint return.</p> <p>Federal phaseout formula is incorporated in State law: Phaseout thresholds are indexed for inflation  <u>Current 2017 federal deduction phases out between:</u>            Single \$65,000 to \$80,000            Joint \$135,000 to 165,000  <u>Bill increases</u> these amounts by \$15,000 for single files and \$30,000 for joint filers.</p>			
1144	1959	4/24		Herbig	An Act To Support Maine Families by Increasing the Dependent Care Credit	<p>This bill increases the income tax credit for child and dependent care expenses from 25% to 50% of the federal tax credit allowable for child and dependent care expenses and increases the amount that is refundable for \$500 to \$750. The increase applies to tax years beginning in or after 2017.</p> <p><u>Budget proposes to increase credit to 50% beginning with 2018 tax years but does not change the amount of the credit that is refundable.</u></p>			
1172	1602	4/26		Cushing	An Act To Repeal the Maine Personal Property Tax	<p>Current law requires all personal property, including machinery, to be assessed and taxed in the same manner as other property but exempts from taxation individually owned personal property with a just value of less than \$1,000, except for items used for industrial or commercial purposes and vehicles that are not subject to the excise tax.</p> <p>This bill repeals the provisions of law requiring a tax to be imposed on personal property and specifies that all individually owned personal property is exempt from taxation.</p> <p>This bill removes numerous references in the Maine Revised Statutes to the personal property tax.</p>			

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1180	1368	4/12	4/20 4/24	Saviello	An Act To Provide a Definition of "Primary Residence" for Purposes of Property Tax Abatements Based on Hardship or Poverty	<p>Current law permits an <u>abatement</u> of property taxes on a person's "<u>primary residence</u>" if municipal officers believe the person is unable to contribute to the public charges by reason of <u>poverty or hardship</u>.</p> <p>This bill provides a definition of "<u>primary residence</u>" for the purpose of determining abatement of property taxes based on hardship or poverty. Under this bill "<u>primary residence</u> means the <u>home, necessary appurtenant structures and reasonable acreage sufficient to support the siting of the homestead</u>.</p> <p>4/20 work session deferred due to lack of quorum.</p>	OTP		
1195	825	4/26		Cebra	An Act To Allow Municipalities To Opt Out of the Collection and Assessment of Personal Property Taxes	This bill allows a municipality, by referendum, to exempt all personal property located in that municipality from assessment and collection of tax by that municipality.			
1196	1279	4/12	4/20	Bailey	An Act To Assist Seniors and Certain Personas with Disabilities in Paying Property Taxes	<p>This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991. The bill modifies the program to include:</p> <ol style="list-style-type: none"> <li>1. <u>Age; disability.</u> Households with <u>at least one individual who is 65 years of age or older or who is retired from gainful employment due to disability and surviving spouses who are at least 60 years of age or who are retired from gainful employment due to disability and</u></li> <li>2. <u>Income.</u> Household income must be less than <u>\$40,000.</u> (indexed for inflation)</li> </ol> <p>The bill also eliminates provisions requiring accrual of interest on deferred property taxes.</p> <p>Current law permits municipalities, by ordinance, to adopt a local property tax deferral program.</p> <p>4/20 Tabled for MRS to suggest modernization language, etc.</p>	Tabled		
1212	1237	4/19		Katz	An Act To Amend the Definition of "Eligible Business Equipment" for the Purposes of the Business Equipment Tax Exemption Program	This bill repeals the current property tax exemption for <u>personal property leased by and occupied or used solely for its own purposes</u> by an exempt <u>nonprofit</u> entity whose primary purpose is the operation of <u>a hospital, health maintenance organization or blood bank</u> .			



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						<p>The bill <u>moves the tax exemption</u> for such property to the BETE statutes.</p> <p>1. The bill eliminates the requirement in the current exemption that the personal property be occupied and used solely for the organization's own purposes.</p> <p>2. The definition of "eligible business equipment" under the BETE program is narrower than the current exemption, potentially making some property taxable that is now exempt.</p> <p>3. Moving the exemption to the BETE statute would appear to require state reimbursement for property tax losses under that program. Reimbursement is not required under current law.</p> <p><u>DAFS asks for bill to be held and considered with administration bill to authorize service charges on exempt NP property.</u></p>			
1227	1802	4/19		Diamond	An Act To Restore to Five Percent the State-Municipal Revenue Sharing Distribution and Create a Matching Fund for Local Road and Bridge Construction, Maintenance and Reconstruction	<p>This bill <u>establishes the Local Infrastructure Fund and the Local Infrastructure Matching Grant Program</u>, which is administered by the Department of Transportation to <u>provide matching grants to a municipality for roads or bridges.</u></p> <p>The <u>new fund is funded</u> by continuing the temporary reduction of transfers for state-municipal revenue sharing, at 2% instead of 5% and requiring the other <u>3% of the revenue sharing base</u> to be deposited in the Local Infrastructure Fund.</p> <p>The <u>new fund is distributed to municipalities</u> for maintenance, improvement or construction of roads or bridges. The distribution is the same as the formula used to determine the distribution to a municipality from the Local Government Fund. The effect of this is to allow a municipality to receive 5% in revenue sharing, depending on the size of the infrastructure project undertaken by the municipality.</p>			
1230	1262			Hubbell	An Act To Allow a Local Option Sales Tax on Meals and Lodging	This bill allows a municipality to impose a local option sales tax, which may be seasonal, on prepared food and short-term lodging of no more than 1% by local			

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						referendum.			
1245	969			Fecteau	An Act To Ensure the Effectiveness of Tax Expenditures	This bill, based on model legislation for accountability in economic development, makes any subsidy provided by the State or a unit of local government to a company for purposes of encouraging economic development subject to rescission or recapture if the company fails to meet the goals for which the subsidy was provided, such as new jobs, high wages, benefits such as health insurance and maintenance of employment levels for the duration of the subsidy or incentive period. The bill requires that entity providing the development subsidy to monitor the company receiving the subsidy to ensure the company is meeting the goals for the subsidy and to recapture all or a portion of the subsidy from a company that does not meet those goals. This bill requires the entity providing the subsidy to maintain a publicly accessible website containing information about the subsidy and the company receiving the subsidy and any enforcement actions taken against a company receiving a subsidy. Finally, this bill provides so-called taxpayer standing to a taxpayer or organization of taxpayers to allow suit to be brought by that taxpayer or organization to enforce the rescission or recapture requirements.			
1246	1490	4/19		Stanley	An Act To Provide Landowners a Property Tax Exemption for Certain Trails	This bill provides a property tax exemption tax for a recreational trail crossing a parcel of land if the trail is 1. <u>recognized by the State or a statewide NP organization</u> 2. <u>open to public recreational uses</u> , and 3. <u>meets certain width and length requirements</u> , depending on the use. The exemption is limited to that portion of the parcel of land that is actually used for the recreational purpose.			
1247	728	4/19		Pouliot	An Act To Repeal the Income Tax on Pick-up Contributions Paid to the Maine Public Employees Retirement System and To Clarify the Taxation of Pick-up Contributions Distributed in the Form of a Rollover	<u>DAFS bill:</u> This bill repeals the individual income tax addition modification for state contributions to the Maine Public Employees Retirement System on behalf of the taxpayer thereby moving the point of incidence of the State income tax on the employee contribution to MEPERS from the time the wages are earned until the time the MEPERS pension is received.  The bill also allows the subtraction modification for pick-			

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						<p>up contributions distributed to the taxpayer in the form of a rollover to be subtracted from taxable income within a 3-year period beginning with the year of the rollover.</p> <p>The changes apply to tax years beginning on or after January 1, 2017.</p>			
1265	1391			Chenette	An Act To Allow the Creation of a Local Option Sales Tax by Referendum	This bill allows a municipality to impose a local option sales tax, which may be seasonal, of no more than 1% by local referendum. Certain items, such as motor vehicles and major household appliances, are excluded from the local option sales tax.			
1270	2073	4/26		Moonen	An Act To Allow Municipalities To Include Itemized Fees on Property Tax Bills	This bill allows a municipality that issues a property tax bill to a taxpayer to include in the tax bill other fees or assessments owed by the taxpayer to the municipality if the other fees and assessments are itemized and distinct from the information on the tax bill that is required by law.			
1276	2013	4/27		Brooks	An Act To Change the Exemption Amount under the Estate Tax	<p>Under Maine law, the amount of an estate exempt from Maine estate tax is defined as the same amount that is exempt under federal law, which is currently \$5,000,000. Amounts over the exclusion amount are taxed at 8%, 10% and 12% based on the amount of the estate.</p> <p>This bill specifies that the amount of a Maine estate that is exempt from Maine estate tax is \$1,000,000 for estates of persons dying on or after January 1, 2018. The same tax rates as under the current law are maintained.</p>			
1283	1381	4/25		Saviello	An Act To Modernize the Mining Excise Tax	<p><u>Concept draft:</u></p> <p>This bill proposes to update the mining tax laws to reflect current terminology and practice and to impose a new rate of tax on mining activities.</p> <p>Current law (enacted in 1982) contains a mining excise tax that is the greater of a percentage of the value of mining facilities and equipment or a percentage of gross proceeds. The tax is in lieu of property tax.</p> <p>No mining activities have been subject to the tax.</p>			
1285	1401	4/27		Saviello	An Act To Tax Political Expenditures Made Immediately before an Election	This bill imposes a 50% tax on the value of a political expenditure made during the 2 weeks immediately before a primary, general, special or referendum election. "Political expenditure" has the same meaning			

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						as "expenditure" for the purpose of campaign finance reports, which includes a purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person or a ballot measure, such as a so-called people's veto or initiated bill. The tax is imposed on the person making the political expenditure and must be paid within 30 days of making the political expenditure.			
1287	1640	4/24		Jackson	An Act To Strengthen Efforts To Recruit and Retain Primary Care Professionals and Dentists in Rural and Underserved Areas of the State	<p>This bill</p> <p>1. <b>Dentists.</b> <u>Extends through 2026 the income tax credit for certified eligible dentists who practice in underserved areas and changes the amount of the credit for dentists certified after 1/1/17.</u> Credit may be claimed for 5 years.</p> <p>2. <b>Primary care professionals (RN,LPN, MD, DO).</b> <u>Income tax credit for certified eligible primary care professionals who practice in underserved areas. Current credit allows credit to be claimed through 2019. Bill removes the termination of the credit and permits certification of up to 10 primary care professionals per year. Credit may be claimed for 5 years.</u></p>			
1289	1509	4/25		Dill	An Act To Allow Voluntary Payments in Lieu of Taxes in the Unorganized Territory	This bill allows an owner of tax exempt property located in the unorganized territory to make a voluntary payment in lieu of taxes. The payment must be deposited into the county unorganized territory fund of the county in which the tax-exempt property is located to pay for municipal services in the unorganized territory.			
1317	1983	4/24		Herbig	An Act To Encourage Family-friendly Businesses through a Tax Credit for Child Care	<p>Reactivates the income tax credit allowed for employer-assisted day care, which expired at the end of 2015.</p> <p>This bill revives the credit for tax years beginning in 2017 or later but changes the amount of the credit provided to an employer who provides day care services for the children of its employees, either directly or through payments to a day care operated or licensed by the Department of Health and Human Services. The credit is <u>the lesser of 50% of the employer's income tax liability and 75% of the costs incurred by the employer in providing day care services for children of employees of the taxpayer.</u></p>			

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1338	2069	4/26		Grohman	An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Business	<p>This bill supports employee-owned businesses and cooperatives in the following ways.</p> <ol style="list-style-type: none"> <li>1. It excludes from Maine income tax the amount of gain recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.</li> <li>2. It excludes from Maine income tax interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.</li> </ol>			
1405	1292			Collins	An Act To Require Remote Sellers To Collect and Remit Sales and Use Tax on Sales into Maine and To Provide Retailers a Collection Allowance	<p>This bill permits persons that are required to register under Maine's sales and use tax laws to deduct and retain an amount equal to up to 2% of the sales and use taxes they collect.</p> <p>This bill also requires persons that sell for delivery into this State tangible personal property, a product delivered electronically or a service that is taxable by this State to collect and remit to the State the sales or use tax imposed by the State on that property, product or service. This requirement applies to a person whose gross revenue from delivery of taxable tangible personal property, a product transferred electronically or a service into Maine in the previous calendar year or current calendar year exceeds \$100,000 or to a person that sold taxable tangible personal property, a product transferred electronically or a service into this State in at least 200 separate transactions in the previous calendar year or the current calendar year.</p> <p>If a lawsuit is brought challenging, on constitutional grounds, the requirement of a person to collect and remit sales or use tax for items delivered into Maine, the court is required to enjoin the State from enforcing the requirement to collect and remit the tax against any person unless that person voluntarily agrees to collect and remit the tax or against any person that has previously been adjudicated to be required to collect and remit the tax. After the injunction against the State</p>			

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						is lifted, the requirement to collect and remit the sales or use tax may be applied only to prospective sales.			
1421	724	4/25		Hilliard	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired by the State through the foreclosure process for nonpayment of property taxes..			
1461	1619	4/27		Volk	An Act To Encourage the Construction of Affordable Housing	This bill creates a tax credit for owners of low-income developments that qualify for tax credits under federal law and are financed with tax-exempt bonds, located in the State and determined by the Maine State Housing Authority to be eligible for a federal tax credit whether or not a federal tax credit is allocated to the development. A taxpayer who receives the credit must agree to enter a restrictive covenant to maintain and operate the development as low-income housing and follow various federal requirements for 15 years. The state tax credit is for 6 years and has a recapture provision if the basis of the development goes below a certain amount. An insurance company is allowed to apply the credit against the company's insurance premium tax. The Maine State Housing Authority is required annually to report various details of the qualified developments that received a credit for the prior tax year.			
1479	1634	4/26		Stanley	An Act To Modernize and Improve Maine's Property Tax System	This bill amends Maine's property tax laws by: <ol style="list-style-type: none"> <li>1. Requiring centralized assessment by the Department of Administrative and Financial Services, Maine Revenue Services of complex manufacturing facilities valued at more than \$10,000,000;</li> <li>2. Allowing appeals of decisions of an assessor or municipal officers involving nonresidential property with a value of more than \$1,000,000 directly to the Superior Court and decisions of the State Board of Property Tax Review directly to the Law Court;</li> <li>3. Limiting to 30 the number of interrogatories or document requests that an assessor may require a taxpayer with property liable to taxation or seeking an exemption under the business equipment tax exemption program to</li> </ol>			

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						<p>answer in writing; and</p> <p>4. Changing the membership specifications of the State Board of Property Tax Review to remove the requirement that a member be an engineer and instead requires members who are representatives of business and industry who are experienced in taxation, finance or valuation matter.</p>			
1450	1111			Deschambault	An Act To Promote Workforce Development and Provide an Economic Stimulus for Maine-based Filmmakers and Supporting Businesses	<p>For the purpose of establishing the film industry as a permanent component of the economic base of Maine; developing a pool of trained professionals and businesses in Maine to supply and support the film industry in Maine; increasing employment of Maine residents; improving the economic success of existing businesses in Maine; and developing the infrastructure in Maine necessary for a thriving film industry, this bill makes the following changes to the visual media production certification process, reimbursement and credit:</p> <p>1. It specifies that a visual media production expense must be for preproduction, production and postproduction work performed in Maine;</p> <p>2. It increases the cap on wages that can be included as a visual media production expense from \$50,000 per individual to \$75,000 per individual;</p> <p>3. It increases the reimbursement rate from 12% of certified production wages that are paid to Maine residents and 10% of certified production wages paid to non-Maine residents to 25% of all visual media production expenses, including wages, and specifies that the reimbursement for wages is for all personnel, including filmmakers, cast members and the technical production and postproduction staff of a visual media production company as long as the company has at least \$75,000 in visual media production expenses from the certified production;</p> <p>4. It repeals the certified visual media production tax credit and caps reimbursement of expenses at \$750,000;</p> <p>5. It specifies that, in order to be eligible for the visual media production reimbursement, at least 25% of the above-the-line personnel, as well as 50% of the</p>			

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						below-the-line personnel, not including extras, must be Maine residents, and either the visual media production expenses exceed 50% of the total production expenses or at least 75% of the total principal photography days occur in Maine; and  6. It specifies that a person claiming the Pine Tree Development Zone tax credit is not eligible to get the visual media production reimbursement.			
1488	2182			Brakey	An Act To Require That Landowners with Property Enrolled in the Tree Growth Tax Program Receive Timely Notice of changes in Valuation of that Property	This bill requires the State Tax Assessor, if the State Tax Assessor increases the valuation of a parcel of property under the Maine Tree Growth Tax Law, to notify the landowner of the increase within 90 days of the determination. If notice is sent within 90 days of when the taxes on the parcel are due and the increase in valuation results in an increase in taxes on the parcel, the landowner has 90 days from the date of the notice to pay the amount representing the increase.			
1521	729			Hilliard	An Act To Amend the Property Tax Laws	Part A specifies that holding land primarily for conservation or public access purposes is not a benevolent and charitable purpose, which is a condition necessary to obtaining an exemption from property tax. This Part allows a land trust organization to enroll land owned by it in the open space tax law program, which would provide up to a 95% reduction in the assessed value of that land as long as certain conditions are met. This Part also removes the 15,000-acre limit on the size of land that may be enrolled in the open space tax law program.  Part B expands the authorization for municipal assessment of service charges for certain municipal costs against certain property exempt from property tax to remove the exemption for student housing and parsonages and to remove the limit on application of the charge to residential property used for rental income. The service charges may be levied only against an owner that has total real estate assets in the municipality with an assessed value of \$10,000,000 or more. The existing cap of 2% of the gross annual revenues of the institution or organization is retained.  Part C reduces the rate of the excise tax imposed on motor vehicles for the first and 2nd year from 24 mills			



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						to 18 mills and 17 1/2 to 16 mills, respectively; and increases the excise tax for the 3rd, 4th, 5th and 6th year from 13 1/2 mills to 14 mills, 10 mills to 11.5 mills, 6 1/2 mills to 10 mills and 4 mills to 6 mills, respectively. After the 6th year, the mill rate reverts to 4 mills.			
1522	569			Sylvester	An Act To Authorize a Local Option Sales Tax	This bill allows a municipality to impose a local option sales tax if approved by referendum of the voters in that municipality. The referendum question must identify the rate of the local option sales tax and the purposes for which the revenue will be used. The local option sales tax would be collected and administered by the State in the same manner as the sales and use tax. Revenue from the local option sales tax is distributed 50% to the municipality, 25% to the Local Government Fund for state-municipal revenue sharing throughout the State and 25% to the Regional Economic Development Revolving Loan Program for regional economic development. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.			
1537	726			Pouliot	An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents	This bill makes the current tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2017 and creates a new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2017. The credit, available to qualified individuals, is equal to the amount of eligible education loan payments made during the tax year, up to the greatest of \$1,000 for individuals having obtained an associate degree, \$2,000 for individuals having obtained a bachelor's degree and \$3,000 for individuals having obtained a graduate degree. A qualified individual must be a full-year Maine resident who has obtained an associate, bachelor's or graduate degree from an accredited Maine or non-Maine community college, college or university after 2007 and who works at least part time in Maine or on a vessel at sea or is deployed for military service in the United States Armed Forces during the taxable year. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt organizations, do not qualify for the credit. The credit may not reduce the tax due to less than zero. The			

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						credit for employers of qualified employees is equal to the amount of eligible education loan amounts paid during the taxable year, except that the credit attributable to part-time employees is limited to 50% of the credit otherwise determined.			