

5/25/17

TAXATION COMMITTEE

jsj 5/25/2017 7:33 AM

1ST REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
16	515	4/19	4/26	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.	ONTP		
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	

¹ . 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	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. <u>3/1 MMA (Dufour) offered to meet with proponents to try to work out agreement.</u> <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. tabled 3/8 for MMA to work with sponsor and MRS on refinements <u>4/13 reconsidered and revoted</u>	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"> 1. Cable and satellite TV and radio 2. Fabrication services 3. Rental of video media and equip. 4. Rental of furniture, audio media and equip. 5. Telecommunication services 6. Installation, maintenance or repair telcom equipment 7. Ancillary telcom services 	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 This bill 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 st year \$795,150 2 nd year \$1,867,700 3 rd year \$2,852,850 4 th year \$3,755,350	OTPA		

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291	318	3/20	5/10	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.	ONTP		
311	1897	2/27	5/1	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.	ONTP		
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	5/10	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.	OTPA/ ONTP		
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> . <u>This bill</u> 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 5/1 5/10 5/18	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"> 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; 2. Caregiver's <u>purchase or lease of equipment</u> necessary to assist the eligible family member in ADLs; and 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. <p>A <u>family caregiver</u> is an individual who provides care</p>	carryover		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>Current existing credits: <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> <p><u>5/1 Tabled for consultation with MeSHA</u></p> <p><u>5/10 tabled for review of proposed amendment and interested parties to work on remaining issues.</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</p>	ONTP		

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						transferred to the General Fund beginning in October 2017 and for all of fiscal year 2018-19.			
493	293	3/6	4/3	Melaragno	An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs	<p>This bill creates an <u>excise tax of 1¢ per 25 gallons of groundwater or surface water</u></p> <ol style="list-style-type: none"> 1. <u>extracted from springs or other underground sources in this State</u> 2. <u>by a bottled water operator that extracted more than 1,000,000 gallons in the previous calendar year</u> 3. <u>if the water is packaged for sale.</u> <p>The revenues from the tax, after reduction for administrative costs, are transferred to <u>a newly created Maine Water Quality Testing and Monitoring Fund</u> to be administered by the Department of Environmental Protection. Of the money transferred,</p> <ol style="list-style-type: none"> 1. 85% will support well water testing and 2. 15% will support lake water quality monitoring and support. 	ONTP/ OTPA		
513	998	2/27	3/6 4/26	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>3/6 Sponsor presented proposed amendment to <u>provide that pension deduction amount is maximum SSA benefit.</u></p> <p><u>Tabled</u></p> <p><u>Consider with budget pension proposal</u></p>	OTPA/ OTPA	\$30-\$50 million/year \$20 million/year (Allen 3/6)	
541	1048	3/6	4/3 4/13	Hickman	An Act Regarding the Commercial Forestry Excise Tax	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	ONTP/ OTPA		

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						<p>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 of the excise tax imposed using information provided by the Commissioner of Agriculture, Conservation and Forestry regarding expenditures and revenue for forest 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)</u></p> <p><u>This bill establishes an excise tax of 26¢ per acre of commercial forest land. 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	5/10	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"> 1. Revenue from recreational marijuana (except law enforcement training), and 2. Surplus revenue generated from growth in the Maine economy. 	CO		
583	874	3/6	4/13 5/11	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>	OTPA	Admin costs \$490,619)	Admin costs \$485,061

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						<p><u>MRS estimate administrative costs:</u> \$490,000+</p> <p><u>MRS significant administrative issues.</u></p> <p>4/13 Tabled for sponsor to talk to MRS to see if compromise.</p>			
620	1087	4/5	4/10	Pouliot	An Act To Restore the Tax Deduction for Contributions to College Savings Accounts	<p>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 prior to repeal in 2015 was capped at \$250 per designated beneficiary.</u></p> <p>The change applies to tax years beginning on or after January 1, 2017.</p> <p><u>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..</u></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>	ONTP/ OTPA		
621	970	4/24	5/1	Tipping	An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code	<p>Concept draft:</p> <p>This bill proposes to recruit and retain professionals in Maine by:</p> <ol style="list-style-type: none"> 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 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 	ONTP		

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						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.			
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 126th Legislature proposed a sales tax exemption for gold and silver coins minted by the U.S. Treasury – full year revenue impact \$500,000±</p> <p>Needs effective date.</p>	ONTP		
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, the MVET is generally based the maker's list price for the motor vehicle; except that the excise tax on certain commercial motor vehicles and buses and special mobile equipment is based on the purchase price.</u></p> <p><u>BMV reimburses municipalities for difference between maker's list price and purchase price for eligible commercial vehicles using revenues under the International Registration Plan.</u></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		

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708	1078	4/27	5/10	Denno	An Act To Use Taxes on Nonmedical Marijuana and Increase the Tax on Cigarettes To Partially Offset the 3% Income Tax Surcharge	This bill increases: 1. the sales tax on nonmedical marijuana from 10% to 15% and 2. 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.	ONTP		
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	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 The change applies to property tax years beginning on or after April 1, 2018. The same language was presented in the 127 th Legislature, 2d Reg and voted ONTP (LD 1667-Governor's bill).	ONTP/ OTP		
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.	LVWD		
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		

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781	1987	4/5	4/18	Herbig	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	<p>This bill provides an <u>income tax credit</u> to employers with <u>apprenticeship programs</u> approved by the Department of Labor.</p> <p>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.</p> <p>4/18 OTPA (13-0) Sponsor's proposal to provide proportional credit for apprenticeship programs where apprentices may be employed by multiple employers and to address partial year situations.</p> <p>MRS has concerns about whether the credit is administrable. as well as technical concerns.</p>	OTPA		
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	5/1	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> <p><u>Sponsor requests that bill be carried over to 2d Reg session.</u></p>	ONTP		
784	343	3/27	4/10	Tipping	An Act To Prevent Tax Haven Abuse	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.	OTPA/ ONTP	Admin costs: \$399,889	Admin costs: \$306,388

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						<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 127th Legislature. (<u>Revenue impact estimate on LD 341 approximately \$5,500,000</u>)</p> <p>See MRS memo.</p>			
829	1826	3/20	5/10	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 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.</p>	ONTP		
851	303	3/20	5/10	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>	ONTP		

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								FY18	FY19
874	1711	4/6	4/20	Denno	An Act To Expand the Authority of Municipalities To Implement a Property Tax Deferral Program	<p>Current law authorizes municipalities to adopt property tax deferral programs for homesteads of residents who;</p> <ol style="list-style-type: none"> 1. are least 70 years of age, 2. have resided in the municipality for at least 10 years AND 3. have household income not exceeding 300% of federal poverty level. <p>This bill <u>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 2018-19 fiscal year.</p>	ONTP		
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"> 1. Permitting certain <u>combat veterans</u> to amend returns to recover certain taxes improperly withheld. 2. Excludes from gross income the value of <u>medals</u> 	OTPA no		

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						<p>and prizes paid by US Olympic Committee for Olympic and Paralympic Games for persons with \$1,000,000 or less</p> <p><u>MRS asks Committee to hold the bill to accommodate potential future changes at federal level.</u></p>			
887	1898	3/22	4/11	Brakey	An Act To Provide Relief to Maine Property Tax Payers	<p>Concept draft: 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 through a state tax credit rather than through distributions to municipalities.</p> <p>The <u>maximum</u> an individual taxpayer could receive would be <u>80%</u> of the individual's annual property tax bill. The maximum a corporate taxpayer could receive would be <u>40%</u> of the corporation's annual property tax bill.</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 taxpayer's annual property tax liability as a percentage of annual property tax liability statewide.</p>	ONTP		
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).</p>	ONTP		

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						Municipality may apply for "sudden and severe" adjustment of SV but must meet eligibility requirements and application can be difficult and costly.			
915	993	5/3	5/10	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.	ONTP		
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>Emergency bill. Takes effect when approved.</p> <p>Part A 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 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>Part B of this bill</p> <ol style="list-style-type: none"> 1. <u>repeals the certified visual media production credit and instead</u> 2. <u>increases the reimbursement amount for certified production wages paid from 12% to 25% for residents of Maine,</u> 3. <u>increases the cap on the reimbursement of wages from \$50,000 to \$100,000 and</u> 4. <u>provides for a reimbursement of 20% of nonwage visual media production expenses.</u> <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>	ONTP/ OTPA		
935	522	4/5	4/10	Blume	An Act To Exempt from Taxation Certain Out-of-state Pensions	This bill provides an income tax exemption for certain income from out-of-state pensions in order to avoid double taxation of that in come.	ONTP/ OTPA		

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								FY18	FY19
						<p>The exemption is calculated as the <u>total amount of the contribution</u> made by the taxpayer that was taxed in the other state <u>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>			
936	860	4/27	5/4 5/18	Harvell	An Act To Modernize and Simplify the Tax Code	<p><u>Concept draft:</u> This bill proposes to modernize and simplify the tax code.</p> <p>Tabled for time</p>	ONTP		
945	1860	3/27	5/10 5/11	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"> 1. Increased funding in the amount of <u>\$8,100,000</u> per year in ongoing funding to the Maine Centers 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 \$1,000,000 in fiscal year 2017-18 and \$750,000 in fiscal year 2018-19 for MaineCare members <u>for tobacco cessation medications and counseling.</u> <p><u>5/10 WS Tabled till 5/11 for sorting</u></p>	ONTP/ OTPA/ OTPA		
946	169	4/5	4/10	Daughtry	An Act To Provide an Income Tax Credit for Students Returning to College	<p><u>Concept draft.</u></p> <p>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.</p> <p><u>Sponsor suggests carrying bill over to wait for the work</u></p>	OTPA/ ONTP		

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						of then newly appointed Task Force of Maine's 21 st Century Economy and Workforce which is scheduled to report in March 2018.			
947	1958	4/5	4/18	Herbig	An Act To Support Employees with Significant Commutes	<p>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 equal to <u>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.</p> <p><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.</p>	OTPA/ ONTP		
959	1861	4/27	5/4	Chenette	An Act To Expand Property Tax Relief for Maine Residents	<p>This bill requires that 1% of surplus year-end General Fund revenue be transferred annually to a nonlapsing fund to be used to increase the maximum credit for individuals 65+ years of age under the property tax fairness credit.</p> <p><u>Current law:</u> Maximum PTFC for persons 65+ is \$900.</p> <p><u>Budget</u> proposes changes to increase the PTFC including increase in maximum credit for persons 65+ to \$1,000.</p>	ONTP/ OTPA		
974	2077	3/27	4/11 4/24	McLean	An Act To Increase the Homestead Exemption	<p>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 April1, 2018.</p> <p>Property tax losses attributable to the increase would be reimbursed to municipalities at the same rate of 62.5% that applies to current exemptions.</p> <p><u>4/11 Tabled</u> for members to work on possible compromise. OTPA motion was on the table with amendment being to reimburse municipalities100% for all homestead exemptions not just the increase.</p>	OTPA/ ONTP		

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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 <u>2016 (LD 1613)</u> 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		
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	ONTP		

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								FY18	FY19
						and impact on state valuation would need to be clarified.			
1078	2265	4/25	5/2	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.	OTPA		
1106	1185	4/10	4/18 4/24 5/18	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	OTPA/ON TP		
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 <u>qualify, the property must be owned and occupied or used solely for the institution's own purposes.</u> 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		
1123	2105	4/19	5/1 5/11	Dion	Act To Allow an Income Tax Deduction for Interest Paid on Student Loans	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. 1. The <u>maximum deduction</u> is increased from \$2,500 to <u>\$5,000</u> and	ONTP/ OTPA		

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						<p>2. 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> <p>5/1 Tabled to work with LD 1537 (DAFS bill)</p>			
1144	1959	4/24	5/1	Herbig	An Act To Support Maine Families by Increasing the Dependent Care Credit	<p>This bill <u>increases</u> the income tax credit for child and dependent care expenses <u>from 25% to 50% of the federal tax credit</u> allowable for child and dependent care expenses and <u>increases the amount that is refundable for \$500 to \$750</u>. 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>	OTPA/ ONTP		
1172	1602	4/26	5/3	Cushing	An Act To Repeal the Maine Personal Property Tax	<p>Current law requires all personal property, to be assessed and taxed in the same manner as real property unless exempted. A variety of exemptions exist, most notably BETE.</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> <p>Article IX, Section 8 of the <u>Maine Constitution</u> provides that all taxes on <u>real and personal property</u> must be assessed equally and according to just value.</p> <p>Numerous technical issues are presented by this bill.</p>	ONTP		

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								FY18	FY19
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 "primary residence 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	5/3	Cebra	An Act To Allow Municipalities To Opt Out of the Collection and Assessment of Personal Property Taxes	<p>This bill allows a municipality, by <u>referendum</u>, to exempt by <u>ordinance</u> all personal property located in that municipality from assessment and collection of tax by that municipality.</p> <p>Article IX, Section 8 of the <u>Maine Constitution</u> has been interpreted by the Maine Supreme Judicial Court to prohibit local option property tax exemptions.</p> <p><u>36 MRSA §760-A</u> permits municipal officers to discharge tax collectors from obligation to collect taxes on personal property that are <u>too small or burdensome to collect</u>.</p>	ONTP		
1196	1279	4/12	4/20 4/26	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"> 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> 2. <u>Income</u>. Household income must be less than <u>\$40,000</u>. (indexed for inflation) <p>The bill also eliminates provisions requiring accrual of interest on deferred property taxes.</p> <p>Current law permits municipalities, by ordinance, to</p>	OTPA		

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								FY18	FY19
						adopt a local property tax deferral program. 4/20 Tabled for MRS to suggest modernization language, etc.			
1212	1237	4/19	4/26 5/11	Katz	An Act To Amend the Definition of "Eligible Business Equipment" for the Purposes of the Business Equipment Tax Exemption Program	<p>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 nonprofit entity whose primary purpose is the operation of <u>a hospital, health maintenance organization or blood bank.</u></p> <p>The bill <u>moves the tax exemption</u> for such property <u>to the BETE statutes.</u></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. (LD 1521 – PH 5/9)</u></p> <p>4/26 Tabled to work with LD 1521</p>	OPTA		
1227	1802	4/19	4/26	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>Sets revenue sharing at total of 5% but splits the amount as follows"</p> <p>1. Sets <u>current state-municipal revenue sharing, at 2% permanently</u></p> <p>2. Establishes <u>3% of the revenue sharing base</u> to be deposited in a new Local Infrastructure Fund.</p> <p>The <u>new fund, administered by DOT, is distributed to municipalities</u> for maintenance, improvement or construction of roads or bridges. The distribution is the</p>	ONTP		

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								FY18	FY19
						same as the formula used to determine the distribution to a municipality from the Local Government Fund.			
1230	1262	5/3	5/10	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 referendum.	ONTP		
1245	969	5/3	5/10	Fecteau	An Act To Ensure the Effectiveness of Tax Expenditures	<p>This bill, based on model legislation for accountability in economic development, <u>makes any subsidy provided by the State or a unit of local government to a company for purposes of encouraging economic development</u> 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.</p> <p>The bill requires the granting body to <u>monitor</u> the company receiving the subsidy to ensure the company is meeting the goals for the subsidy and to <u>recapture</u> all or a portion of the subsidy from a company that does not meet those goals.</p> <p>This bill requires the granting body providing the subsidy to maintain a <u>publicly accessible website</u> containing information about the subsidy and the company receiving the subsidy and any enforcement actions taken against a company receiving a subsidy.</p> <p>The bill provides <u>taxpayer standing</u> to a taxpayer or organization of taxpayers to allow suit <u>to enforce</u> the rescission or recapture requirements.</p> <p><i>Model law would need modification to identify Maine-specific laws and statutes. Relationship with OPEGA review process and DECD economic development evaluations is unclear.</i></p>	ONTP		
1246	1490	4/19	4/26	Stanley	An Act To Provide Landowners a Property Tax Exemption for Certain Trails	<p>This bill provides a property tax exemption tax for a recreational trail crossing a parcel of land if the trail is</p> <ol style="list-style-type: none"> 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. 	ONTP		

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						The exemption is limited to that portion of the parcel of land that is actually used for the recreational purpose.			
1247	728	4/19	4/26	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	<p><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.</p> <p>The bill also allows the subtraction modification for pick-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>	OTPA		
1265	1391	5/3	5/10	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.	ONTP		
1270	2073	4/26	5/3	Moonen	An Act To Allow Municipalities To Include Itemized Fees on Property Tax Bills	<p>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.</p> <p><u>MMA indicated at PH they saw no reason why the proposed billing would not be allowed under current law and will talk to sponsor</u></p>	ONTP		
1276	2013	4/27	5/4	Brooks	An Act To Change the Exemption Amount under the Estate Tax	<p><u>Current law:</u> Maine estate tax exclusion is the same as the federal estate tax exclusion -- \$5,490,000 for deaths in 2017 (indexed annually) Amounts over the exclusion amount are taxed progressively 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</p>	OTPA/ ONTP		

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						is exempt from Maine estate tax is \$1,000,000 for estates of persons dying on or after January 1, 2018. The same tax rate structure is maintained as under the current law (8%, 10%, 12%)			
1283	1381	4/25	5/2	Saviello	An Act To Modernize the Mining Excise Tax	<p><u>Concept draft:</u> 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> <p><u>4/25 Sponsor requests that bill be carried over to permit time for rules to be decided first.</u></p>	CO		
1285	1401	4/27	5/4	Saviello	An Act To Tax Political Expenditures Made Immediately before an Election	<p>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.</p> <p>“Political expenditure” has the same meaning 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.</p> <p>The tax is imposed on the person making the political expenditure and must be paid within 30 days of making the political expenditure.</p>	ONTP/ OTPA		
1287	1640	4/24	5/1	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. Dentists. <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>	OTPA		

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						2. Primary care professionals (RN,LPN, MD, DO). <u>Income tax credit for certified eligible primary care professionals</u> who practice in underserved areas. Current credit allows credit to be claimed through 2019. <u>Bill removes the termination of the credit and permits certification of up to 10 primary care professionals per year.</u> Credit may be claimed for 5 years.			
1289	1509	4/25	5/2	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. <u>Concern raised by FAUT at PH regarding PILOTS received under federal law.</u> <u>Move to chapter 115.</u>	OTPA		
1317	1983	4/24	5/1	Herbig	An Act To Encourage Family-friendly Businesses through a Tax Credit for Child Care	Reactivates the income tax credit allowed for employer-assisted day care, which expired at the end of 2015. This bill revives the credit for tax years beginning in 2017 or later but changes the amount of the credit provided <u>to an employer who provides day care services for the children of its employees</u> , 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</u> in providing day care services for children of employees of the taxpayer.	OTPA/ ONTP		
1338	2069	4/26	5/3	Grohman	An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Business	This bill provides tax benefits to employee-owned businesses and cooperatives in the following ways. 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. 2. It excludes from Maine income tax interest from	CO		

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						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.			
1405	1292	5/3	5/10	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 authorizes retailers to retain 2% of the sales and use taxes they collect as a <u>collection allowance</u>.</p> <p>This bill also requires certain remote sellers to collect and remit to the State the sales or use tax imposed by the State on sales for delivery into this state.. This requirement applies to”</p> <p>1.a person whose <u>gross revenue</u> 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 <u>exceeds \$100,000</u> or</p> <p>2.a person that sold taxable tangible personal property, a product transferred electronically or a service into this State in <u>at least 200 separate transactions</u> in the previous calendar year or the current calendar year.</p> <p><u>Effect of court action.</u> 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 is lifted, the requirement to collect and remit the sales or use tax may be applied only to prospective sales.</p> <p>Effective 10/1/17</p>	OTPA/ OTPA		
1421	724	4/25	5/2	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..	OTPA		

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						MRS requested addition of one additional property. FN required.			
1450	1111	5/3	5/10 5/18	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> <ol style="list-style-type: none"> 1. It specifies that a visual media production expense must be for preproduction, production and postproduction work performed in Maine; 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; 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; 4. It repeals the certified visual media production tax credit and caps reimbursement of expenses at \$750,000; 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 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 	OTPA/ ONTP		

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						<p>or at least 75% of the total principal photography days occur in Maine; and</p> <p>6. It specifies that a person claiming the Pine Tree Development Zone tax credit is not eligible to get the visual media production reimbursement.</p> <p><u>WS 5/10 Proposed changes submitted by Rep. Deschambault. Tabled till 5/18. MRS to work with DECD to understand new language.</u></p>			
1461	1619	4/27	5/4 5/10	Volk	An Act To Encourage the Construction of Affordable Housing	<p>This bill creates an income tax credit for</p> <ol style="list-style-type: none"> 1. owners of federally-qualified low-income housing developments 2. that qualify for federal tax credits and 3. are financed with tax-exempt bonds, 4. located in the State and 5. 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. <p><u>The aggregate amount of credits allocated by MeSHA in each calendar year may not exceed the total of \$42 million plus amounts not allocated in previous year plus amounts recaptured.</u></p> <p>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.</p> <p><u>The state tax credit is for 6 years and has a recapture provision if the basis of the development goes below a the amount for the previous year.</u></p> <p>An insurance company is allowed to apply the credit against the company's insurance premium tax.</p> <p>The Maine State Housing Authority is required annually to report to the Legislature various details of the qualified developments that received a credit for the prior tax year.</p> <p><u>5/4 Table till 5/10 for interested parties to work with MeSHA and MRS on amendment</u></p>	CO		

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1479	1634	4/26	5/11	Stanley	An Act To Modernize and Improve Maine's Property Tax System	<p>This bill amends Maine's property tax laws by:</p> <ol style="list-style-type: none"> 1. Requiring <u>centralized state assessment</u> of complex <u>manufacturing facilities valued at more than \$10,000,000</u>; 2. Allowing <u>appeals</u> of decisions of an assessor or municipal officers involving <u>nonresidential property</u> with a value of more than \$1,000,000 directly to the <u>Superior Court and decisions of the State Board of Property Tax Review</u> directly to the Law Court; 3. <u>Limiting to 30 the number of interrogatories or document requests</u> that an assessor may require a taxpayer with property liable to taxation or seeking an exemption under the business equipment tax exemption program to answer in writing; and 4. <u>Changing the membership specifications of the State Board of Property Tax Review</u> 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. 	CO		
1488	2182	5/9	5/11	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	<p>This bill requires that if the State Tax Assessor increases the valuation of a parcel of property under the Maine Tree Growth Tax Law, the assessor is required to notify the landowner of the increase within 90 days of the determination.</p> <p>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.</p>	ONTP		
1521	729	5/9	5/11	Hilliard	An Act To Amend the Property Tax Laws	<p><u>DAFS bill:</u></p> <p><u>Part A makes changes to property tax exemptions for land held for conservation purposes:</u></p> <ol style="list-style-type: none"> 1. It specifies that holding land primarily 	OTPA		

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						<p>for <u>conservation or public access purposes is not a benevolent and charitable purpose</u>, which is a condition necessary to obtaining an exemption from property tax. Same as LD 727 voted ONTP/OTPA 4/20).</p> <p>2. It <u>allows</u> a nonprofit organization established for <u>land conservation to enroll land owned by it in the open space tax law program</u>, which would provide up to a 95% reduction in the assessed value of that land as long as certain conditions are met.</p> <p>3. It <u>removes the 15,000-acre limit on the size of land that may be enrolled in the open space tax law program</u>.</p> <p>Part B <u>expands the authorization for municipal assessment of service charges for certain municipal costs</u></p> <p>1. It permits service charges to be imposed on owners of real property any categories identified in <u>§652 except houses of religious worship and parsonages</u>.</p> <p>2. The service charges may be levied only against an <u>owner that has total real estate assets in the municipality with an assessed value of \$10,000,000 or more</u>.</p> <p>3. The existing <u>cap of 2% of the gross annual revenues of the institution or organization is retained</u>.</p> <p>Part C <u>makes changes to the rate of taxation under the motor vehicle excise tax</u>.</p> <p>1. It <u>reduces</u> the rate of the excise tax imposed on motor vehicles for the first and 2nd year from 24 mills to 18 mills and 17 1/2 to 16 mills, respectively; and</p> <p>2. It <u>increases</u> 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.</p> <p><u>Rate comparison</u></p> <table border="0"> <thead> <tr> <th></th> <th>Current law</th> <th>LD 1521:</th> </tr> </thead> <tbody> <tr> <td>Year</td> <td>mill rate</td> <td></td> </tr> <tr> <td>1</td> <td>24</td> <td>18</td> </tr> <tr> <td>2</td> <td>17.5</td> <td>16</td> </tr> <tr> <td>3</td> <td>13.5</td> <td>14</td> </tr> <tr> <td>4</td> <td>10</td> <td>11.5</td> </tr> <tr> <td>5</td> <td>6.5</td> <td>10</td> </tr> <tr> <td>6+</td> <td>4</td> <td>6</td> </tr> <tr> <td>7+</td> <td></td> <td>4</td> </tr> </tbody> </table>		Current law	LD 1521:	Year	mill rate		1	24	18	2	17.5	16	3	13.5	14	4	10	11.5	5	6.5	10	6+	4	6	7+		4		
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1522	569	5/3	5/10	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.	OTPA/ ONTP		
1537	726	5/9	5/11	Pouliot	An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents	<p>DAFS bill:</p> <p>This bill makes the current tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2017 and creates a <u>new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2017.</u></p> <ol style="list-style-type: none"> 1. The credit, available to qualified individuals, is equal to the amount of eligible education loan payments made during the tax year, <u>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.</u> 2. A qualified individual must be a <u>full-year Maine resident</u> who has obtained an associate, bachelor's or graduate degree from an <u>accredited Maine or non-Maine community college, college or university after 2007</u> and who <u>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.</u> 	CO		

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						<p>3. <u>Loans obtained from related persons</u>, such as family members and certain businesses, trusts and exempt organizations, <u>do not qualify</u> for the credit.</p> <p>4. The credit is <u>not refundable</u>.</p> <p>5. The <u>credit for employers</u> 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.</p>																		
1548	810	5/9	5/11 5/18	Hamann	An Act To Establish the Let's Grow Maine Program	<p>This bill establishes the <u>Let's Grow Maine Program</u>, to be administered by the <u>Finance Authority of Maine</u> through the use of <u>private sector partners</u> with the purpose of <u>purchasing fruits and vegetables</u> from farm businesses in the State for <u>distribution to schools, senior citizens and individuals with low income</u>. A "Food Security Council" is created to "determine" regional needs and "develop" a strategy for allocation of resources and to advise FAME and the LCRED Committee is given oversight of council.</p> <p>The program is funded by:</p> <ol style="list-style-type: none"> 1. Increasing the tax for <u>noncigarette smoking tobacco products</u> from 20% of the wholesale sales price to 47%, effective January 1, 2018. 2. Providing that, if the tax on cigarettes is increased on or after January 1, 2018, the tax on <u>noncigarette smoking products</u>, as well as the taxes on <u>smokeless tobacco</u>, will be adjusted by a percentage that is equivalent to the percentage change in the tax rate for one cigarette. <p><u>5/11 worksession</u> Indication is that FAME is unwilling to administer program. Tabled to see if issues could be worked out.</p>	ONTP/ OTPA	Revenue impact: <table border="1"> <thead> <tr> <th></th> <th>Tob.prods.tax</th> <th>Sales tax</th> </tr> </thead> <tbody> <tr> <td>FY 18</td> <td>\$1,272,386</td> <td>\$69,582</td> </tr> <tr> <td>FY 19</td> <td>\$3,103,381</td> <td>\$167,272</td> </tr> <tr> <td>FY 20</td> <td>\$3,103,381</td> <td>\$162,152</td> </tr> <tr> <td>FY 21</td> <td>\$3,103,381</td> <td>\$162,152</td> </tr> </tbody> </table>		Tob.prods.tax	Sales tax	FY 18	\$1,272,386	\$69,582	FY 19	\$3,103,381	\$167,272	FY 20	\$3,103,381	\$162,152	FY 21	\$3,103,381	\$162,152	
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1549	268	5/9	5/11	Stearns	An Act To Create a Tax on the Production of Electricity from Wind Resources	<p>This bill creates an <u>excise tax on wind energy producers</u> for the privilege of using wind power to produce electricity from wind resources for sale or trade beginning January 1, 2018.</p> <p>The tax is equal to <u>\$1 per megawatt-hour of electricity produced</u> as measured at the point of interconnection</p>	ONTP																	

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						with an electric transmission line. The tax first applies 3 years after the turbines producing the electricity first begin operation. The tax does not apply to the Federal Government, the State, a county or municipality in the State or any individual producing electricity from wind resources for that individual's personal use. Revenue from the tax is transferred to a newly created Wind Energy Impact Fund to be administered by the Public Utilities Commission. The <u>PUC is required to establish a process for distribution of revenues to to reduce electric rates (T&D) for ratepayers in areas affected by the wind energy production that is subject to the tax.</u>			
1550	2021	5/9	5/11	Hamann	An Act To Tax Sugar-sweetened Beverages To Fund Programs To Provide Resources for Veterans and Others	This bill establishes an <u>1¢ per ounce excise tax on sugar-sweetened beverages, including syrups and powders</u> used to make sugar-sweetened beverages. The tax is imposed on distributors (or retailers if the distributor does not collect) <u>Revenues</u> from the excise tax are distributed: 25% to the Veterans Fund 37.5% to the Head Start Fund 18.75% to the Drug Treatment Fund 7.5% to the Obesity and Chronic Disease Fund 7.5% to the Healthy Food Access Fund 1.5% to the After-school Program Fund 1.5% to the Drug Court Fund and 0.75% to the Maine Drinking Water Fund	ONTP		
1551	721	5/9	5/11	Bickford	An Act To Amend the Maine Tax Laws	DAFS bill: Please see chart attached to the public hearing testimony of Michael Allen, DAFS/OTP.	OTPA		
1565	733	5/16	5/18	Ward	An Act To Ensure the Effectiveness of Tax Increment Financing	DECD bill: Under <u>current law</u> TIF development programs may <u>include</u> purposes designed to provide new employment opportunities, retain existing employment, improve or broaden the tax base, construct or improve the physical facilities and structures or improve the quality of pedestrian and vehicular transportation	CO		

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						<p>This bill provides that beginning with TIF development programs approved by DECD on or after 4/1/18 at least 80% of the area within the district must be designated for development by an entity engaged in a qualified business activity (that is directly related to financial services, manufacturing or targeted technologies).</p> <p>PH 5/11. Amendments provided by Rep. Ward replacing the bill</p> <p>1. Removes requirement that 80% of development district be qualified business activity</p> <p>2. Adds requirement that credit enhancement agreements may only be allowed under contract between municipality and the business engaged in qualified business activity (same definition as original bill). Unclear when new requirement applies.</p>			
1570	722	5/16	5/18	Hilliard	An Act To Make Technical Changes to Maine's Tax Laws	<p>DAFS bill:</p> <p>See DAFS chart submitted at public hearing.</p>	OTPA		
1572	2342	5/16	5/18	Mastraccio	An Act To Implement Recommendations of the Government Oversight Committee To Improve the Efficiency and Effectiveness of Legislative Reviews of Tax Expenditures	<p>Government Oversight Committee bill</p> <p>Pursuant to 3 MRSA §1001.2</p> <p>The purpose of this bill is to make changes to the law to improve the efficiency and effectiveness of tax expenditure evaluations conducted by OPEGA, for the Legislature.</p> <p>The bill <u>removes statutory deadlines for full evaluations to provide more flexibility</u> in scheduling, completion and reporting on those evaluations to allow for a better fit with legislative schedules and to ensure OPEGA can complete a comprehensive and quality review of each program, within OPEGA's available capacity.</p> <p>No changes are made with regard to expedited evaluations.</p>	OTPA fno		

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1581	727	5/16	5/18	Bickford	An Act To Simplify Maine Income Tax by Repealing or Terminating Certain Tax Credits and the Charitable Contribution Checkoff	<p>This bill does the following.</p> <ol style="list-style-type: none"> 1. It <u>repeals the Maine Fishery Infrastructure Tax Credit Program</u> and terminates the availability of the <u>corresponding tax credit</u> and related individual and corporate income tax addition modifications for tax years beginning on or after January 1, 2017, except that unused credit amounts from prior tax years carried forward by the taxpayer may be used. 2. It <u>terminates the tax credit for wellness programs</u> and repeals the related income tax addition modifications for tax years beginning on or after January 1, 2017, except that unused credit amounts from prior tax years carried forward by the taxpayer may be used. 3. It <u>repeals</u>, for tax years beginning on or after January 1, 2017, the individual and corporate income tax <u>subtraction modifications for gains attributable to the sale of eligible timberlands</u>. 4. It <u>repeals the tax credit for adult dependent care expenses</u> and the related adjustment to Maine itemized deductions for tax years beginning on or after January 1, 2017. 5. It <u>repeals the certified visual media production tax credit</u> for tax years beginning on or after January 1, 2017 and removes related cross-references to that credit. 6. It <u>repeals the tax credit for modifications to a homestead to make it accessible</u> to an individual with a disability or physical hardship for tax years beginning on or after January 1, 2017 and removes a related cross-reference to that credit. 7. It <u>repeals the tax credit for disability income protection plans in the workplace</u> for tax years beginning on or after January 1, 2017 and removes related cross-references to that credit. 8. It <u>repeals the voluntary charitable contribution checkoffs</u>, and the requirement that the State Tax 	ONTP		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
						<p>Assessor include the checkoffs on the income tax tax form for tax years beginning on or after 1/1/17, for</p> <ul style="list-style-type: none"> A. the Maine Endangered and Nongame Wildlife Fund, B. the Companion Animal Sterilization Fund, C. the Maine Children's Trust Incorporated, D. the Bone Marrow Screening Fund, (also in budget) E. the Maine Military Family Relief Fund, F. the Maine Veterans' Memorial Cemetery Maintenance Fund, G. the Maine Asthma and Lung Disease Research Fund and (also in budget) H. the Maine Public Library Fund <p>The bill eliminates funding for the Maine Military Family Relief Fund due to the elimination of the checkoff for that fund.</p> <p>The checkoff for the Maine Clean Election Fund is not affected by this bill.</p>			
1589	730	5/16	5/18	Hilliard	An Act To Simplify the Taxation of Leasing Tangible Personal Property and To Clarify the Incidence of Use Tax	<p>DAFS bill</p> <p><u>Part A</u></p> <p>1. <u>moves the point of taxation with respect to leases of tangible personal property from a use tax on the lessor to a sales tax on each lease payment</u>, in order to simplify the law and provide consistency with the tax treatment of leases in other states that impose a sales tax.</p> <p>2. It updates the sales and use tax law to <u>include leases, rentals and lessors in many existing provisions</u> regarding sales and sellers and to add new provisions regarding leases, rentals and lessors that correspond to existing provisions regarding sales and sellers. It also <u>updates sales tax exemptions</u> that currently exempt sales to certain entities <u>to also exempt leases and rentals</u> to those entities.</p> <p>3. It sources the first lease or rental payment to this State for taxation when the property is received in this State. Subsequent payments are sourced to this State as long as the primary property location for the period covered by the payment is in this State.</p> <p>It clarifies the exemption for historical societies,</p>	ONTP		

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						<p>museums and incorporated nonprofit memorial foundations.</p> <p>4. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.</p> <p><u>Part B</u></p> <p>1. <u>clarifies</u> when owners of property that has been used outside of Maine are liable for a use tax when the <u>property is brought into Maine</u>. The bill updates several provisions, enacting a clear <u>90-day standard for use in Maine</u> to give rise to a use tax liability. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.</p> <p><u>Part C</u></p> <p>1. terminates, as of December 31, 2017, the ability to claim an excise tax reimbursement for rental vehicles.</p>			
1597	2307	5/16	5/18	Breen	An Act To Exempt from Sales Tax the Fee Associated with the Paint Stewardship Program	<p>Under current law, an assessment is made on each container of paint of 5 gallons or less sold in this State. The assessment is established by manufacturers operating or sponsoring a paint stewardship program and charged to retailers and distributors and must be added to the retail cost of paint sold by that retailer or distributor. The assessment is used to fund a paint stewardship program, which provides for the collection, recycling and disposal of old paint.</p> <p>This bill <u>exempts from the sales and use tax the fee imposed to fund the paint stewardship program</u>, regardless of whether the fee is paid by a retailer or distributor or passed on to the consumer.</p> <p><u>Sales tax exemption should be moved to Title 36.</u></p>	OTPA/ ONTP	Estimated ST revenue loss: FY 18 (\$48,020) FY 19 (\$71,344) FY 20 (\$71,926) FY 21 (\$74,803)	
1599	2328	5/16	5/18	Stanley	An Act To Improve the Maine Tree Growth Tax Law	<p>Governor's bill: (Similar to LD 1691 introduced in 2106 – unanimous ONTP)</p> <p>This bill makes the following changes to the Maine Tree Growth Tax Law.</p> <p>1. It <u>includes harvesting</u> as an expressly stated purpose for land in the Maine Tree Growth Tax Law program.</p> <p>2. It removes certain items from the <u>definition of forest</u></p>	ONTP/ OTPA		

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						<p>products that have commercial value under the Maine Tree Growth Tax Law program.</p> <p>3. It increases the minimum parcel size from 10 acres to 25 acres for the Maine Tree Growth Tax Law program for parcels enrolled on or after April 1, 2018.</p> <p>4. It authorizes the Department of Agriculture, Conservation and Forestry, <u>Bureau of Forestry to audit parcels of land enrolled in the Maine Tree Growth Tax Law program to ensure compliance of the landowner with the requirements of the program and that the parcel is being managed in substantial compliance with the forest management and harvest plan for that parcel. The bureau is required to order the removal from the program of any parcel that is not substantially compliant with the requirements of the program.</u> The owner of that removed parcel <u>may apply to reclassify the parcel under the farm and open space tax law in the Maine Revised Statutes, Title 36, chapter 105, subchapter 10.</u> The audit provisions are repealed January 1, 2020.</p> <p>5. It requires the <u>State Tax Assessor to deny reimbursement to a municipality if any parcel of land enrolled in the Maine Tree Growth Tax Law program is not compliant with the program.</u></p>			
1600	2346	5/16	5/18	O'Neil	An Act To Establish an Opioid Addiction Prevention and Rehabilitation Treatment Program Funded by a Tax Imposed upon the Sale of Opioids	<p>This bill establishes the Opioid Addiction Prevention and Rehabilitation Program, to be funded by revenue generated by a tax imposed on the distribution of opioids by a manufacturer or wholesaler at the rate of 1¢ per milligram of active opioid ingredient.</p> <p>PH 5/11 – Sponsor proposed amendment:</p> <ol style="list-style-type: none"> 1. Tax rate –0.1¢ per morphine milligram equivalent 2. Tax to be paid by manufacturers (removes wholesalers) 3. State Tax Assessor directed to adopt rules establishing timing and procedures for collecting the tax and requiring pharmacies to provide information needed for administration. 	ONTP/ OTPA		

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1618	1288			Sylvester	An Act To Support Maine's Working Families through Universal Child Care	<p>This bill establishes the Universal Child Care Program of universal child care for all individuals and families who are eligible. Eligibility for universal child care is based on the age of the child. Income is not a factor for eligibility. The bill establishes the Universal Child Care Trust Fund, which is managed by a board composed of members who represent child care providers and consumers of child care services. The board employs professional staff and receives advice from an advisory committee composed of the Commissioner of Health and Human Services, the Commissioner of Education and the Commissioner of Labor as well as the Treasurer of State, the President of the Senate and the Speaker of the House of Representatives. Base funding for universal child care is from child care funds from the Temporary Assistance for Needy Families program and the federal Child Care and Development Fund block grant.</p> <p>To complete the funding for the Universal Child Care Program, the Department of Administrative and Financial Services, Bureau of Revenue Services is directed to develop and submit to the Joint Standing Committee on Health and Human Services draft legislation to establish universal child care taxes. The taxes are to be structured to include 3 elements: a tax on wages that is substantially equivalent to the federal Social Security Act's Old-Age, Survivors, and Disability Insurance program tax, but that applies only to earnings above the annual contribution and benefit base of the federal tax; a self-employment tax applicable to taxpayers who are subject to the federal Self-Employment Contributions Act tax that is equivalent to that tax and applies to net earnings above the annual limit subject to taxation under that federal tax; and a tax equal to the wage and self-employment taxes that is imposed on unearned annual income and that applies in a manner similar to the federal Net Investment Income Tax. The bill directs the Joint Standing Committee on Health and Human Services to report out a bill to the Second Regular Session of the 128th Legislature to establish universal child care taxes to fully fund the Universal Child Care Program.</p>			

