

STATE OF MAINE

—  
IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY-SIX

—  
S.P. 344 - L.D. 785

**An Act to Amend Certain Tax Laws Regarding the Wabanaki Nations**

**Be it enacted by the People of the State of Maine as follows:**

**PART A**

**Sec. A-1. 3 MRSA §1, 2nd ¶**, as amended by PL 2009, c. 636, Pt. A, §1, is further amended to read:

The Tribal Clerk of the Penobscot Indian Nation shall, on or before the day preceding the meeting of the Legislature, furnish to the Clerk of the preceding House of Representatives a certification, under the seal of the Nation, of the name and residence of the Representative-elect of the Penobscot Indian Nation to the Legislature. The Tribal Clerk of the Passamaquoddy Tribe of the reservation from which the Representative-elect of that tribe has been chosen shall, on or before the day preceding the meeting of the Legislature, furnish the Clerk of the preceding House of Representatives a certification of the name and residence of the Representative-elect of the Passamaquoddy Tribe to the Legislature. Beginning with the 126th Legislature, the Tribal Clerk of the Houlton Band of Maliseet Indians shall, on or before the day preceding the meeting of the Legislature, furnish to the Clerk of the preceding House of Representatives a certification of the name and residence of the Representative-elect of the Houlton Band of Maliseet Indians to the Legislature. Beginning with the 133rd Legislature, the Tribal Clerk of the Mi'kmaq Nation shall, on or before the day preceding the meeting of the Legislature, furnish to the Clerk of the preceding House of Representatives a certification, under the seal of the Nation, of the name and residence of the Representative-elect of the Mi'kmaq Nation to the Legislature.

**Sec. A-2. 3 MRSA §2, 9th ¶**, as amended by PL 2023, c. 2, §4, is further amended to read:

The member of the Penobscot Indian Nation, the member of the Passamaquoddy Indian Tribe and, ~~beginning with the Second Regular Session of the 125th Legislature,~~ the member of the Houlton Band of Maliseet Indians and, ~~beginning with the First Regular Session of the 133rd Legislature,~~ the member of the Mi'kmaq Nation elected to represent their tribes at the Legislature are entitled to receive a salary equal to the salary of members of the Senate and the House of Representatives, including a cost-of-living adjustment, for each regular session and an allowance for constituent service and allowances for travel-related

expenses, which are housing, meals, mileage and tolls, to the same extent as members of the House of Representatives for attendance at each legislative session or authorized committee meeting. For the duration of any special session of the Legislature, they are entitled to receive the same per diem payment and allowances, including travel-related expenses, which are housing, meals, mileage and tolls, as any member of the Senate and House of Representatives.

## PART B

**Sec. B-1. 36 MRSA §5102, sub-§5-B** is enacted to read:

**5-B. Tribal member compensation.** "Tribal member compensation" means compensation received by an individual who is a tribal member, and by an estate of a decedent who at the time of death was a tribal member, for personal services performed as an employee of the Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet Indians or the Mi'kmaq Nation. For purposes of this subsection, "compensation" means all taxable remuneration and benefits for services performed by the individual as an employee of the Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet Indians or the Mi'kmaq Nation, including the cash value of any taxable remuneration and benefits paid in any medium other than cash.

**Sec. B-2. 36 MRSA §5122, sub-§2, ¶BBB** is enacted to read:

BBB. To the extent included in federal adjusted gross income and to the extent otherwise subject to Maine income tax, an amount equal to tribal member compensation, notwithstanding where the tribal member resides.

**Sec. B-3. Application.** This Part applies to tax years beginning on or after January 1, 2027.

## PART C

**Sec. C-1. 36 MRSA §1760, sub-§113**, as amended by PL 2025, c. 271, Pt. B, §2 and affected by §5, is further amended to read:

**113. Tribal members.** Sales of new manufactured housing for installation on tribal land and sales to a tribal member that are sales sourced to tribal land, except that, if the property or service is used by the purchaser, including any lessee, primarily outside of tribal land, the purchaser is liable for use tax based on the original sale price, unless otherwise exempt under this Part.

For purposes of this subsection:

A. "Primarily" means more than 50% of that period of time that begins on the date on which the property or service is first placed in service by the purchaser and ends one year from that date or at the time that the property or service is sold, scrapped, destroyed or otherwise permanently removed from service, whichever occurs first; and

B. "Sales sourced to tribal land" means sales sourced pursuant to section 1819 to a location on tribal land. ~~In addition, sales of motor vehicles other than those that are being leased for a period of less than one year to a tribal member are sales sourced to tribal land if the vehicle is intended to be driven or transported to tribal land immediately upon receipt of the vehicle. as well as:~~

(1) Sales of motor vehicles other than those that are being leased for a period of less than one year to a tribal member, if the vehicle is intended to be driven or transported to tribal land immediately upon receipt of the vehicle; and

(2) Sales of new manufactured housing to a tribal member, if the new manufactured housing is intended to be installed on tribal land immediately upon receipt or delivery; and

C. "Sales of new manufactured housing for installation on tribal land" means sales to a construction contractor or subcontractor of new manufactured housing that is intended to be physically incorporated in, and become a permanent part of real property located on, tribal land for sale to a tribal member or to the Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet Indians or the Mi'kmaq Nation.

**Sec. C-2. Application.** This Part applies to sales occurring on or after January 1, 2027.

## **PART D**

**Sec. D-1. 36 MRSA §1760, sub-§114,** as amended by PL 2025, c. 271, Pt. B, §3 and affected by §5, is further amended to read:

**114. Tribal entities.** Sales to a tribal entity that are sales sourced to tribal land, except that, if the property or service is used by the purchaser, including any lessee, primarily outside of tribal land, the purchaser is liable for use tax based on the original sale price, unless otherwise exempt under this Part.

For purposes of this subsection:

A. "Primarily" means more than 50% of that period of time that begins on the date on which the property or service is first placed in service by the purchaser and ends one year from that date or at the time that the property or service is sold, scrapped, destroyed or otherwise permanently removed from service, whichever occurs first; ~~and~~

B. "Sales sourced to tribal land" means sales sourced pursuant to section 1819 to a location on tribal land or to a location on specific tribally owned fee land identified in rules adopted pursuant to paragraph C. In addition, sales of motor vehicles other than those that are being leased for a period of less than one year to a tribal entity are sales sourced to tribal land if the vehicle is intended to be driven or transported to tribal land immediately upon receipt of the vehicle; ~~and~~

C. The bureau shall, by rule, identify the tribally owned fee lands eligible for the sales tax exemption set forth in this subsection and the sales tax transfer in section 1815 in accordance with the following requirements.

(1) The Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet Indians and the Mi'kmaq Nation, referred to in this paragraph as "Wabanaki Nation," may each file a written request with the bureau by August 1st of each year that the sales tax exemption in this subsection and the sales tax transfer in section 1815 apply, effective January 1st of the following year, at any one time to no more than one parcel of land or 2 abutting parcels of land that are jointly used to operate a business. To qualify for the exemption, the parcel or parcels of land must be:

(a) Owned in fee by the requesting Wabanaki Nation or a tribal entity owned by the requesting Wabanaki Nation, a tribal member or members of the requesting Wabanaki Nation or some combination thereof;

(b) Used by the requesting Wabanaki Nation or tribal entity to operate a business; and

(c) Located within Aroostook County, Hancock County, Franklin County, Penobscot County, Piscataquis County, Somerset County, Oxford County or Washington County.

(2) If a parcel or parcels of land identified by rule as eligible for the sales tax exemption set forth in this subsection and the sales tax transfer in section 1815 cease to meet the requirements of subparagraph (1) or if a Wabanaki Nation elects to change that Wabanaki Nation's parcel or parcels of land identified to the bureau for purposes of this subsection and section 1815, the requesting Wabanaki Nation shall notify the bureau and may submit a new request under subparagraph (1) that the sales tax exemption set forth in this subsection and the sales tax transfer in section 1815 apply to a different parcel or parcels of land.

(3) If the parcel or parcels of land that a Wabanaki Nation requests to be subject to the sales tax exemption in this subsection and the sales tax transfer in section 1815 meet the requirements of subparagraph (1), the bureau shall adopt rules identifying the parcel or parcels of land as tribally owned fee lands eligible for the sales tax exemption set forth in this subsection and the sales tax transfer in section 1815.

Rules adopted pursuant to this paragraph are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

**Sec. D-2. 36 MRSA §1815, sub-§2**, as amended by PL 2025, c. 470, Pt. D, §3 and affected by §6, is further amended to read:

**2. Monthly transfer.** By the 20th day of each month, the assessor shall notify the State Controller and the Treasurer of State of the amount of revenue attributable to the tax collected under this chapter in the previous month on sales occurring on the Passamaquoddy Indian territory, the Penobscot Indian territory, the Houlton Band Trust Land and the Mi'kmaq Nation Trust Land, respectively, reduced by the transfer to the Local Government Fund required by Title 30-A, section 5681. When notified by the assessor, the State Controller shall transfer those amounts to the Passamaquoddy fund, the Penobscot fund, the Maliseet fund and the Mi'kmaq fund, respectively.

For purposes of this subsection, a sale occurs on the Passamaquoddy Indian territory, the Penobscot Indian territory, the Houlton Band Trust Land or the Mi'kmaq Nation Trust Land if:

A. The business location of the seller from which the purchase is made is on Passamaquoddy Indian territory, Penobscot Indian territory, Houlton Band Trust Land or Mi'kmaq Nation Trust Land, respectively, or on the Passamaquoddy Tribe's, the Penobscot Nation's, the Houlton Band of Maliseet Indian's or the Mi'kmaq Nation's respective tribally owned fee land identified in rules adopted pursuant to section 1760, subsection 114, paragraph C; and

B. The tangible personal property or taxable service is received by the purchaser also on Passamaquoddy Indian territory, Penobscot Indian territory, Houlton Band Trust Land or Mi'kmaq Nation Trust Land, respectively, or on the Passamaquoddy Tribe's, the Penobscot Nation's, the Houlton Band of Maliseet Indian's or the Mi'kmaq Nation's respective tribally owned fee land identified in rules adopted pursuant to section 1760, subsection 114, paragraph C. For purposes of this paragraph, "received" has the same meaning as in section 1819.

## PART E

**Sec. E-1. 36 MRSA §651, sub-§1, ¶F**, as corrected by RR 2013, c. 1, §51, is amended to read:

F. All airports and landing fields and the structures erected thereon or contained therein of public municipal corporations whether located within or without the limits of such public municipal corporations. Any structures or land contained within such airport not used for airport or aeronautical purposes ~~shall~~ may not be entitled to this exemption. Any public municipal corporation ~~which~~ that is required to pay taxes to another such corporation under this paragraph with respect to any airport or landing field ~~shall~~ must be reimbursed by the county wherein the airport is situated; ~~and~~

**Sec. E-2. 36 MRSA §651, sub-§1, ¶G**, as enacted by PL 1967, c. 115, is amended to read:

G. The pipes, fixtures, conduits, buildings, pumping stations and other facilities of a public municipal corporation used for sewage disposal, if located outside the limits of such public municipal corporation; ~~and~~

**Sec. E-3. 36 MRSA §651, sub-§1, ¶H** is enacted to read:

H. For property tax years beginning on or after April 1, 2027, the property of a federally recognized Indian tribe in the State if the property is used for governmental or public purposes; the property is located within 50 miles of the federally recognized Indian tribe's tribal land; and there is a pending application to have the United States Secretary of the Interior acquire the property in trust for the benefit of the federally recognized Indian tribe pursuant to the federal Maine Indian Claims Settlement Act of 1980, Public Law 96-420, federal Houlton Band of Maliseet Indians Supplementary Claims Settlement Act of 1986, Public Law 99-566 or the federal Aroostook Band of Micmacs Settlement Act, Public Law 102-171.

## PART F

**Sec. F-1. Appropriations and allocations.** The following appropriations and allocations are made.

### ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

#### Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for administrative expenses, including the costs of adding a new line to the Municipal Valuation Return and associated programming and testing.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$88,460

GENERAL FUND TOTAL	\$0	\$88,460
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**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS**

	2025-26	2026-27
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$88,460</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$88,460</b>

**LEGISLATURE**

**Legislature 0081**

Initiative: Provides ongoing funding for the costs of an additional Legislator.

	2025-26	2026-27
<b>GENERAL FUND</b>		
Personal Services	\$0	\$43,611
All Other	\$0	\$60,376
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$103,987</b>

**Legislature 0081**

Initiative: Provides one-time funding for the costs of adding a new Legislator.

	2025-26	2026-27
<b>GENERAL FUND</b>		
All Other	\$0	\$80,047
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$80,047</b>

**LEGISLATURE DEPARTMENT TOTALS**

	2025-26	2026-27
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$184,034</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$184,034</b>

**SECTION TOTALS**

	2025-26	2026-27
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$272,494</b>
<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$272,494</b>