## TAXATION COMMITTEE 131<sup>st</sup> LEGISLATURE 2nd REG SESSION

## 2/15/2024 (WS)

ABBREVIATIONS COR Carry over requested by TAX CO-T Carried over in TAX SHADED LDS HAVE BEEN VOTED

LD	LR	РН	WS	SPONSOR	TITLE	SUMMARY	COMM	FINAL	FISCAL IMPACT <sup>1</sup>	
						(Summaries may not reflect content of most	ACTION	ACTION	FY24	FY25
						recent committee action)				
643	1665	3/28	4/6	Terry	An Act to Promote	This bill increases the research expense tax credit	4/6 not	CO-T	MRS	estimates
			4/19		Research and	<u>by</u> :	taken up			
					Development in the State				Admin costs: N	larginal, absorbed
					by Increasing the	eligible for the credit,	4/19/2023			
					Research Expense Tax	2. doubling the rate by which the credit is	tabled		Revenue loss(annua	al) \$7.5 million
					Credit	calculated from 5% to 10% of the excess of				
						qualified research expenses over the base				te of revenue loss of
						amount and from 7.5% to 15% of the base			current credit:	
						research payments under the IRC,	COD			
						3. <u>doubling the maximum amount of the</u>	COR		FY 25 \$3,240,0	00
						credit that may be claimed from 100% of				
						the corporation's first \$25,000 tax due to the first \$50,000 of tax due and 75% of the				
						amount over \$50,000 and				
						4. halving the base amount used to determine				
						the credit from 100% to 50% of the				
						average amount per year spent by the				
						taxpayer on qualified research expenses				
						over the previous 3 years.				
						<u>over the previous 5 years</u> .				
						Unused credit that exceeds the tax due for the year				
						may be carried over for up to 15 years.				
						5 1 5				
						MRS notes:				
						1. Bill does not have application date				
						2. Benefits highly concentrated on small				
						number of large corps				
						3. Consider 3/11/22 OPEGA report.				

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

LD	LD LR PH		WS	SPONSOR	TITLE	SUMMARY	COMM	FINAL	FISCAL IMPACT <sup>1</sup>	
						(Summaries may not reflect content of most recent committee action)	ACTION	ACTION	FY24	FY25
			1/24 2/14			Bill needs to be coordinated with technical change in 36 MRSA §5219-K.3 made in PL 2023, c. 360, §B-11	tabled			
						Bill needs application date (1/1/24TYs?)				
1222	784	4/11	5/2		Care Services Through an Employer- supported Tax	This bill repeals the section of law governing the former employer-assisted day care income tax credit, which by its own terms, since 2015 has not	COR	CO-T	MRS estin Admin costs	\$33,000
						applied to tax years beginning on or after January 1, 2016.				One time
						The bill <u>creates a new refundable tax credit for an</u> employer that pays or provides in-kind resources to build or subsidize child care for the children of its employees. or <u>Contracts for the provision of child care services for</u> its employees <b>Chart in folder (1/31/24) compares provisions</b> with LD 1891			Revenue loss (annual)	\$5,000,000
						<ul> <li>The amount of the annual <u>credit is the lesser of</u>:</li> <li>1. 50% of the amount expended by the employer or</li> <li>2. \$3,000 per child</li> </ul>				
	-		1/31 2/15			MRS has significant number of technical concerns described in its PH testimony.	1/31 tabled			
						MRS (?) proposed amendment to replace bill with a study to and report to TAX Committee by 1/15/25.				
1231	1161	5/3	5/17 5/31			CONCEPT DRAFT: This bill is a concept draft pursuant to Joint Rule 208. This bill would <u>change the income tax brackets</u>	COR	CO-T		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY	COMM	FINAL	FISCAL	IMPACT <sup>1</sup>
						(Summaries may not reflect content of most recent committee action)	ACTION	ACTION	FY24	FY25
					Families by Adjusting the	for imposition of the individual Maine income tax				
					Tax Brackets	but <u>retain the same tax rates</u> .				
			1/25 2/14			1/25/24 WS scheduled; not taken up	not taken up			
						Sponsor may have amendment.	1			
1891	2189			Terry	Businesses Through a Child Care Tax Credit and	<ul> <li>Part A of this bill establishes a pass-through entity tax on the income of partners and shareholders of S corporations to permit certain entities to elect to pay Maine income tax at the entity level.</li> <li>The effect of this is to allow a taxpayer who elects to become a pass through entity to deduct Maine income taxes paid on the taxpayer's federal income tax return.</li> <li>At PH, Mike Saxl presented an amendment for the pass-through entity income tax option. Small differences in draft</li> <li>Part B of this bill creates a child care tax credit to provide to an employer that provides early child care and education services to children of its employees,</li> <li>either by expending funds to build, furnish, license, staff, operate or subsidize a child care facility licensed by the Department of Health and Human Services or</li> <li>to contract with a child care facility licensed by or registered with the department.</li> </ul>	COR	CO-T		
		1/25/	1/31/2 2/15/24			services. Chart in folder for LD 1222 (1/31/24) compares provisions with LD 1891		1/31 tabled		