

Shaded LDs have been voted on by the Committee

5/16/19

TAXATION COMMITTEE

jsj 5/16/2019 8:14 AM

**129th LEGISLATURE
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 | |
|----|----|------|------------|---------|---|--|-------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| 6 | 11 | 3/26 | 4/2 | Tepler | An Act To Amend the Laws Governing the Home Accessibility Tax Credit | This bill provides that the <u>income tax credit</u> for homestead modifications to improve <u>accessibility</u> for an individual with a disability or physical hardship is <u>refundable</u> if : 1. the individual is <u>65+ years of age</u> or <u>and</u> 2. the individual's <u>Maine adjusted gross income is equal to or less than 138% of the federal poverty level.</u> <u>Application date needed.</u> | ONTP | | |
| 22 | 64 | 1/30 | 2/6 4/3 | Craven | An Act To Exempt from Taxation Sales to Small Nonprofit Organizations | This bill provides a sales tax exemption and a service provider tax exemption for sales TO incorporated nonprofit organizations with annual gross receipts of less than \$40,000. "Non-profit" means an IRC Sec. 501(c) exempt organization Testimony at PH indicated 1. Bill should provide exemption for sales <u>BY</u> not <u>TO</u> an incorporated nonprofit organization. 2. Gross receipts threshold should be raised to \$60,000. MRS may have questions when intent is clarified. <u>2/6 Tabled to obtain MRS estimate of fiscal impact of exemption for sales Made by a nonprofit with gross sales under \$60,000.</u> <u>MRS technical concerns</u> | ONTP | Preliminary estimate MRS Original bill: Revenue impact (\$250,000) Annual Admin. cost \$50,000 MRS estimate: <u>(Sales tax only; SPT not relevant to sales BY NP org)</u> Sales BY NP organization: GRs <\$60,000 FY 21 (\$226,100) GRs <\$40,000 FY 21 (\$138,700) | |

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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| | | | | | | | | FY19 | FY120 |
| 35 | 490 | 4/23 | 4/30 | C'Connor | An Act To Exempt All Disabled Veterans in Maine from All Income Tax and To Increase Their Homestead Exemption to \$50,000 | This bill: 1. increases the <u>homestead exemption</u> to \$50,000 for veterans of the United States Army, Navy, Air Force, Marines or Coast Guard who are receiving disability compensation from the United States Government due to a service-connected disability and 2. provides an <u>income tax deduction</u> for all income of those individuals. | ONTP | | |
| 43 | 184 | 2/20 | 2/27 | Cebra | RESOLUTION, Proposing an Amendment to the Constitution of Maine To Dedicate All Sales Taxes from All Vehicle Sales and 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. The State Controller is directed to make monthly transfers of 100% of the revenue based on actual sales, as certified by the State Tax Assessor, to the Highway Fund for roads and bridge capital improvements. MRS estimates loss to GF and LGF (RevSh)/gain to HF: FY 21 \$177,060,000 FY 22 \$182,550,000 <u>MRS has drafting and administrative concerns.</u> See 2/13 memo in bill folder. LD 1106 in the 128 th contained the same provisions. Divided report in TAX (7-6). Died between bodies. LD 1735 in the 128 th contained similar provisions. Divided report in TAX (2-11). ONTP in both bodies. | ONTP | Preliminary estimate MRS Loss to GF/LGF (RevSh)/Gain to HF: FY 21 \$177,060,000 FY 22 \$182,550,000 Admin. cost \$26,000 | |
| 62 | 1232 | 1/30 | 2/6 | Bailey | An Act To Enhance the Senior Volunteer Benefits Program | This bill increases the maximum benefit that a municipality may provide under a senior volunteer benefit program from \$750 to the greater of \$1,000 and 100 times the state minimum hourly wage. Sponsor requested change to <u>\$1,100 or 100 times the state minimum hourly wage.</u> MRS raises no administrative concerns. | OTP/ Otpa | Preliminary estimate MRS Revenue impact negligible Admin costs can be absorbed | |
| 65 | 434 | 3/27 | 4/3 | Beebe-Center | An Act To Allow Municipalities To Impose a Seasonal or Year-round | This bill allows a municipality to impose a local option sales tax, which may be seasonal, if approved by referendum of the voters in that municipality. The | ONTP | Preliminary estimate MRS MRS Admin costs still being | |

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| | | | | | Local Option Sales Tax | <p>referendum question must identify the rate of the local option sales tax, specify the months during which it will be imposed if not year-round and identify 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 to the municipality imposing the local option sales tax. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.</p> <p><u>See related chart (yellow)</u> <u>MRS concerns</u></p> | | <p>researched.</p> <p><u>Estimates in previous sessions:</u> Initial implementation \$750,000 Ongoing annual costs</p> | |
| 70 | 91 | 1/30 | 2/6 | Herbig | An Act To Support the Trades through a Tax Credit for Apprenticeship Programs | <p>This bill permits an employer who employs an apprentice participating in an approved apprenticeship program to receive a tax credit and provides for a partial credit if the employer employs a participating apprentice for fewer than 2,000 hours during a calendar year.</p> <p>This bill is essentially the same as LD as amended in the 128th Legislature. LD 781 was carried over on the Appropriations Table and died there at the end of the 128th Legislature.</p> <p>MRS indicates appropriation might be more efficient than a tax incentive.</p> | OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact (\$2,500,000) Annual</p> <p>Admin cost \$33,000(one time)</p> | |
| 71 | 1281 | 1/30 | 2/6 | Guerin | An Act To Reinstate the Income Tax Deduction for Contributions to College Savings Accounts | <p>This bill reinstates the income tax deduction for certain contributions to qualified tuition programs under Section 529 of the Internal Revenue Code up to \$250 per designated beneficiary. This deduction was in effect from 2006 to 2015.</p> <p>Bill needs application date.</p> <p>MRS indicates appropriation might be more efficient than a tax incentive</p> | OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact (\$250,000) Annual</p> <p>Admin cost \$22,000(one time)</p> | |
| 72 | 296 | 2/6 | 2/20 | Dill (By Request) | An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed | <p>This bill provides an income tax exemption for military compensation for active duty service by members of the Armed Forces of the United States, including reserve components, when that service is performed within the State.</p> | OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact (\$500,000) Annual</p> | |

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| | | | | | | Military compensation for service performed outside of the State is currently exempt from taxation. | | Admin cost | absorbed |
| 73 | 581 | | | Pouliot | An Act To Provide an Income Tax Credit for Certain Student Loan Repayments | <p>This bill provides a <u>NEW refundable IT credit</u> for certain <u>student loan repayments made by FAME or an entity managed or administered by FAME</u> if the taxpayer is a <u>resident of Maine employed by a business located in Maine</u></p> <p>The credit is equal to: the amount an individual is required to include in FAGI as the result of student loan payments made directly to the individual's student loan lender by FAME, or an entity managed or administered by FAME, multiplied by the individual's <u>highest federal marginal IT rate</u>.</p> <p>This credit is separate from the educational opportunity credit.</p> <p>Needs application date.</p> | | | |
| 77 | 298 | 4/16 | 4/24 | O'Connor | An Act To Increase the Homestead Property Tax Exemption to \$50,000 for Persons 75 Years of Age and Older | <p>SEE SEPARATE CHART</p> <p>This bill increases the homestead property tax exemption for individuals who are 75 years of age or older from \$20,000 to \$50,000 for property tax years beginning on or after April 1, 2020.</p> | ONTP | | |
| 85 | 864 | 1/30 | 2/6 | Corey | An Act To Establish a Sales Tax Exemption and an Income Tax Deduction for the Purchase of Firearm Safety Devices | <p>This bill provides a sales tax exemption for the purchase of firearm safety devices and an income tax deduction of up to \$250 for the purchase of a safe or lockbox for securing firearms.</p> <p>Sponsor proposed amendment to change IT deduction to 25% of the amount spent during a tax year to purchase a safe or lockbox up to a maximum of \$250.</p> <p>MRS has language and administrative concerns if Committee intends to move forward with the bill.</p> | OTPA | <p>Preliminary impact MRS</p> <p>Revenue impact Clarifications needed to estimate</p> <p>Admin impact \$11,000 (one time)</p> | |
| 86 | 469 | 1/30 | 2/6 | Kinney | An Act To Provide That Persons Who Produce Maple Syrup and Honey Commercially Are Eligible for the | This bill expands the sales tax refund and exemption for commercial agricultural production to include the commercial production of maple syrup and honey. | <p>OTP</p> <p>Fn???</p> | <p>Preliminary impact MRS</p> <p>Revenue impact negligible</p> <p>Admin costs can be absorbed</p> | |

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| | | | | | Sales Tax Refund and Exemption for Commercial Agricultural Production | Under current law, production of maple syrup is divided into 2 categories: 1. Reducing the sap to maple syrup is considered "manufacturing" and equipment and electricity are entitled to a separate exemption for manufacturing. 2. Getting the sap to the production facility is commercial agricultural activity; however, current law requires that equipment must be used 50% of the time in that activity. | | | |
| 104 | 163 | 5/2 | 5/9 | Vitelli | An Act To Expand the Earned Income Tax Credit in Maine | This bill expands the earned income tax credit by: 1. <u>Increasing the credit from 5% to 15% of the federal earned income tax credit and</u> 2. <u>Extending the credit to persons from 18 to 24 years of age who have no qualifying child.</u> This bill also <u>requires</u> the Department of Labor, Bureau of Labor Standards to provide a <u>poster or notice to employers</u> that states that employees may be eligible for the earned income tax credit. This bill <u>requires employers to post the poster or notice in a place that is accessible to the employers' employees.</u> <u>MRS has concerns.</u> <u>5/8 Tabled till next week to see if can come up with something with LD 1491</u> | tabled | Preliminary estimate MRS Rev impact (\$21,000,000/yr) Admin cost FY 20 (\$106,985) FY 21 (\$104,600) | |
| 107 | 1124 | 3/13 | 3/21 | Hanley | An Act To Lower the Maine Individual Income Tax Incrementally to Zero | This bill provides for the phase-out of the individual income tax. Taxes are reduced: 1. TY 2020 25% <u>In subsequent years:</u> 2. If preceding FY GF revenue exceeds 50% FY19 GF revenue 3. If preceding FY GF revenue exceeds 75% FY when steo 2 reduction is made 4. If preceding FY GF revenue exceeds 100% FY when steo 3 reduction is made | ONTP | | |
| 118 | 636 | 3/19 | 3/27 | Cebra | An Act To Direct Vehicle Excise Tax Revenue for Local Transportation Infrastructure | <u>Current law:</u> Permits municipality to use MVET revenue for any purpose for which it may appropriate money. <u>This bill provides that revenue received by a municipality from the vehicle excise tax must be used for maintenance or improvement of transportation</u> | ONTP | | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>infrastructure within that municipality.</p> <p>MRS has concerns.</p> | | | |
| 119 | 181 | 3/19 | 3/27 | Cebra | An Act To Base the Motor Vehicle Excise Tax on the Sale Price | <p><u>MVET base:</u> <u>Current law:</u> MVET base is the “maker’s list price.” (except for certain commercial trucks, tractor trailers, special mobile equipment and buses are based on <u>purchase price</u>) <u>MVET is in lieu of property tax.</u></p> <p><u>This bill:</u> Requires that the MVET for all vehicles be based upon the <u>purchase price*</u> 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><u>Current MVET rates:</u> 1st model year 24 mills 2nd model year 17.5 mills 3rd model year 13.5 mills 4th model year 10 mills 5th model year 6.5 mills Older 4 mills</p> <p><u>State reimbursement to municipalities:</u> <u>Current law</u> requires the State to reimburse a municipality for the difference in the amount of excise tax that would have been collected by the municipality on each commercial motor vehicle or bus using the maker’s list price instead of the actual purchase price.</p> <p><u>Summary states this bill applies that requirement to all vehicles taxed on “purchase price”, but does not make all the statutory changes needed to accomplish that result.</u></p> <p>* “Purchase price” means actual price paid including any trade-in value applied to the cost of purchasing the vehicle.</p> <p>Unclear how “purchase price” would be determined for used vehicles or vehicles transferred by means other than purchase.</p> | ONTP | <p>Preliminary impact</p> <p><u>BMV:</u> Cost to HF for reimbursement Many millions of dollars</p> <p><u>MRS:</u> Revenue: None Admin: Can be absorbed</p> <p>Maybe mandate costs for municipalities to request reimbursement?</p> | |

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| | | | | | | MRS has language and administrative concerns. BMV has administrative concerns. Estimated HF loss: "Many millions" per BMV | | | |
| 124 | 1043 | 4/24 | 5/1 | Cooper | An Act To Exempt from Sales Tax an Island-based Nonprofit Provider of Ambulance Services | This bill provides a <u>sales tax exemption</u> for: 1. Sales of <u>watercraft that will be used to provide ambulance services</u> and 2. Sales of <u>ambulance supplies</u> to an incorporated nonprofit transportation company that provides ambulance services from an <u>island not served by a bridge to the mainland pursuant to a written agreement with a municipality to provide ambulance services without charge.</u> An incorporated nonprofit transportation company providing ambulance services using watercraft certified and inspected by the United States Coast Guard is <u>not required to be licensed as an ambulance service</u> in order to be eligible for the exemption. <u>Sponsor has amendment to address concerns raised at public hearing.</u> <u>5/1 Tabled for sponsor to work with MRS on language</u> | | | |
| 133 | 542 | 4/9 | 4/17 | Evangelos | An Act To Fully Restore State-Municipal Revenue Sharing for Fiscal Year 2018-19 | This bill restores state-municipal revenue sharing to <u>5%</u> from 2% for the <u>entire fiscal year 2018-19</u> . The law currently requires revenue sharing to revert to 5% beginning July 1, 2019. | TABLED | Preliminary estimate MRS FY 19 (\$99,882,246) | |
| 146 | 183 | 2/27 | 2/27 | Cebra | An Act To Make the Assessment and Collection of Personal Property Taxes Optional for Municipalities | This bill allows a municipality, by referendum, to exempt all personal property located in that municipality from assessment and collection of tax by that municipality. Aide to Rep. Cebra has communicated (2/14/email) that he would like to have this bill reported out ONTP. | ONTP | | |
| 156 | 281 | 3/27 | 4/3 | Miramant | An Act To Allow Regional Service Center Municipalities To Assess an Additional One Percent Sales Tax for Infrastructure Costs | This bill allows a municipality that is a service center community to impose a local option sales tax of no more than 1% by local referendum for the purpose of funding local infrastructure costs. <u>See related chart (yellow)</u> | ONTP | Preliminary estimate MRS MRS Admin costs still being researched. | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | MRS concerns | | | |
| 162 | 167 | 2/6 | 2/20 | Bellows | An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions | <p><u>Retirement benefits</u> under state, local or federal government retirement plans that are based on employment compensation for which <u>contributions are not made to the federal Social Security system</u> (uncovered civil service retirement (CSR) plans) may result in reductions in the amount of Social Security benefits that a retiree is eligible to receive under the federal windfall elimination provision (retiree) or the government pension offset (spouse and surviving spouse). The formulas are complicated.</p> <p>This bill provides an <u>income tax exemption</u> for those retirement benefits from <u>uncovered CSR plans</u>.</p> <p>This bill is identical to LD 276.</p> <p>MRS has technical drafting concern.</p> <p><u>WS 2/20 Voted OTPA to increase deduction amount for uncovered pension by \$5,000 per year until it reaches \$30,000 then maximum SSA pension for person who retires at age 66.</u></p> | OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact (\$30,000,000) Annual</p> <p>Admin cost can be absorbed</p> | |
| 163 | 409 | 4/23 | 4/30 | Farrin | An Act Regarding Property Tax Relief for Veterans | <p>This bill provides <u>enhanced property tax exemptions for certain veterans</u>. A veteran <u>regardless of age</u> becomes eligible for</p> <ol style="list-style-type: none"> 1. a \$25,000 exemption if the veteran has served at least 90 days of active service and has served in a combat zone. 2. A veteran with a service-connected disability becomes eligible for <ol style="list-style-type: none"> A. a \$50,000 exemption if the disability is rated 50% to 90% and B. a \$100,000 exemption if the disability is rated 100%. <p>A surviving unremarried spouse, minor child or parent who is receiving a pension based on the service of a deceased veteran qualifies for the same exemption the veteran would have been eligible for.</p> <p>A municipality is reimbursed for the constitutionally mandated 50% of the property tax revenue loss as a result of the enhanced exemption.</p> | carryover | | |

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| 164 | 268 | 4/16 | 4/24 | Pouliot | An Act To Reduce Property Taxes for Maine Residents | <p>This bill increases the total exemption under the Maine resident <u>homestead property tax exemption</u> program to <u>\$50,000</u> for property tax years beginning on or after April 1, 2020.</p> <p>This bill also <u>increases state reimbursement to municipalities</u> for homestead property tax exemptions from 62.5% to <u>100%</u> for property tax years beginning on or after April 1, 2020.</p> | table | Preliminary estimate MRS <u>Reimbursement cost:</u> FY 21 \$152 million LY 22 \$205 million FY 23 \$208 million | |
| 193 | 328 | 4/9 | 4/17 | Harnett | An Act To Fully Fund and Restore State-Municipal Revenue Sharing | This bill restore state-municipal revenue sharing to 5% from 2% 6 months earlier than currently provided in law. | OTPA/ OTPA | Preliminary estimate MRS FY 19 (\$449,941,123) | |
| 241 | 1682 | 2/26 | 3/7 4/3 | O'Neil | An Act To Adjust the Personal Property Tax Exemption for Farm Machinery | <p>This bill increases the <u>maximum aggregate amount</u> of the <u>property tax exemption for farm machinery used exclusively in harvesting hay or field crops</u> from \$10,000 to \$45,000.</p> <p>Maine Constitution requires that Legislature reimburse municipalities for at least 50% of revenue loss.</p> <p><u>Effective date is needed.</u></p> <p><u>Under current law, a vehicle is exempt from property tax if an excise tax is paid on it.</u></p> <p>MRS has technical and administrative concerns.</p> <p><u>3/7 tabled for more info on MRS admin and enforcement needs, clarification of application and fiscal impact.</u></p> <p>MRS has draft amendment to address their concerns.</p> | OTPA | Reimbursement costs: At least 50% Mandate costs? MRS fiscal impact: \$250,000 to \$500,000 <u>Admin costs:</u> none | |
| 268 | 68 | 2/6 | 2/20 4/4 5/7 | Jackson | An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States | <p>This bill provides a <u>credit against the commercial forestry excise tax (CFET)</u>for</p> <ol style="list-style-type: none"> 1. Landowners who are <u>based in the US</u> and 2. Who employ and retain businesses or contractors that are <u>based in the US</u>, that: <ol style="list-style-type: none"> A. Employ at least 75% United States | OTPA | Preliminary estimate MRS Rev impact (\$0 to \$3,000,000 Annual) Admin cost \$2,500 | |

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| | | | | | | <p>residents and</p> <p>B. That are current in the payment of all state and local taxes.</p> <p><u>“Based in the US” means</u> the business has a bona fide place of business in the US from which US operations are managed.</p> <p>The bill also requires recapture of the credit if a recipient is found to have been ineligible.</p> <p>This bill is the same as LD 1744 as amended by ComAmdt “A” and SenAmdt “A” enacted in the 128th Legislature, vetoed by the Governor and veto sustained.</p> <p>The CFET “reimburses” the GF for 40% of the net state cost of forest fire protection activities.</p> <p>The tax is a calculated amount per acre of forestland over 500 acres per landowner.</p> <p><u>CFET revenue:</u> FY 16 \$2,485,425 FY 17 \$2,311,014 FY 18 \$2,052,950</p> <p>MRS has several concerns with the LD as written.</p> <p><u>2/20 Tabled. Sponsor reported to be working on an amendment</u></p> <p><u>4/4 tabled for sponsor to complete review of language and legal concerns by MRS</u></p> | | | |
| 276 | 533 | 2/6 | 2/20 | Miramant | An Act To Provide Equity in the State Income Tax Deduction for Maine Public Employees Retirement System Pensions | Retirement benefits 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 (uncovered CSR plans) may result in reductions in the amount of Social Security benefits that a retiree is eligible to receive under the federal windfall elimination provision (retiree) or the government pension offset (spouse and surviving spouse). The formulas are complicated. | ONTP | Preliminary estimate MRS | |
| | | | | | | | | Rev impact | (\$30,000,000) Annual |
| | | | | | | | | Admin cost | can be absorbed |

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| | | | | | | <p>This bill provides an <u>income tax exemption</u> for those retirement benefits from <u>CSR plans</u>.</p> <p><u>This bill is identical to LD 162.</u></p> <p>MRS has technical drafting concern.</p> | | | |
| 286 | 397 | 2/26 | 3/7 | Tepler | An Act To Provide a Sales Tax Exemption for Feminine Hygiene Products | <p>This bill provides a <u>sales tax exemption</u> on the purchase of <u>feminine hygiene products</u> effective 10/1/19.</p> <p>LD 206 in the 128th proposed the same change. It received divided report in TAX; was enacted in House but died on Appropriations Table at end of session. The full year revenue loss was estimated at about \$800,000.</p> <p><u>Suggestion made at public hearing to change term "feminine hygiene products" to "menstrual products."</u></p> <p><u>MRS has concerns.</u></p> <p><u>MRS suggests</u> using "Streamlined Sales Tax " <u>definition</u> of "feminine hygiene products" ("tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle."</p> | OTPA | <p>Rev impact (\$1,000,000) Annual</p> <p>Admin cost can be absorbed</p> | |
| 349 IDEAB | 1627 | | | Beebe-Center | An Act To Extend the Refundability of the Educational Opportunity Tax Credit to Students in the Behavioral Health Field | This bill provides that students receiving bachelor's degrees or associate degrees in a behavioral health field are entitled to a refundable income tax credit for certain education loans in the same manner as students receiving degrees in science, technology, engineering or mathematics. | | | |
| 335 | 890 | 4/11 | 5/7 5/14 | Warren | An Act To Require the State To Distribute 25 Percent of Adult Use Marijuana Retail Sales and Excise Tax Revenue to Generating Municipalities | <p>This bill requires the transfer of <u>25% of the gross sales tax and excise tax revenue</u> generated by adult use marijuana establishments in the State <u>to a new fund for disbursement to the municipalities where the revenue was generated according to the municipality's proportion of total revenue generated by marijuana establishments in the municipality.</u></p> <p><u>MRS has one technical concern.</u></p> <p><u>Technical conflict.</u> LD 335 amends 28-B§1003. LD 1652 (MRS MJ technical bill moves chapter</p> | OTPA/ ONTP | <p>Preliminary estimate MRS</p> <p>Rev impact Under review</p> <p>Admin cost Under review</p> | |

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| | | | | | | containing §1003 to Title 36 | | | |
| 393 | 154 | 5/1 | 5/9 | Cooper | An Act To Change the Eligibility Requirements for the Property Tax Fairness Credit | This bill changes the formula for calculation of the property tax fairness credit to expand the credit to residents whose property taxes or rent constituting property taxes on homestead property exceeds 5%, rather than 6% in current law, of the residents' income for tax years beginning on or after January 1, 2020. SEE SEPARATE CHART | ONTP | | |
| 403 | 257 | | | 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 outside the United States in net income when apportioning income among tax jurisdictions. 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. The assessor is required to submit an annual report to TAX committee regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria. <u>Same as LD 784 in the 128th Legislature. Died between bodies.</u> | | | |
| 420 | 573 | 3/6 | 3/13 | Collings | An Act To Amend the Maine Exclusion Amount in the Estate Tax | This bill reduces the exclusion amount, below which the Maine estate tax does not apply, to <u>\$2,000,000</u> from \$5,600,000 for estates of decedents dying on or after January 1, 2020 and removes the annual adjustment for inflation of that exclusion amount. 2017 federal TCJA doubled the federal estate tax exclusion from \$5,600,000 to \$11,200,000. Maine retained the exclusion at \$5,600,000. LD 518 proposes to reduce the exclusion to \$1,000,000. <u>MRS has concerns to bring to the attention of the committee.</u> 3/13 Tabled for more budget developments | Table | Preliminary estimate MRS Rev impact (\$13,500,000) Annual Admin cost FY 21 \$492,507 FY 22 \$492.150 | |

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| | | | | | | | | FY19 | FY120 |
| 424 | 2028 | 2/26 | 3/7 | O'Neil | An Act To Provide a Sales Tax Exemption for Baling Twine, Net and Wrapping for Hay | <p>This bill provides a <u>sales tax exemption</u> for <u>baling twine, net and wrapping for hay</u> effective 10/1/19.</p> <p>LD 1023 in the 128th proposed to exempt only "baling twine for hay." It had no fiscal impact and was enacted, vetoed by the Governor and governor's veto sustained.</p> <p>MRS indicated in 2017 that baling twine that was purchased to bale hay for sale is exempt under current law. Baling twine purchased to bale hay <u>not for sale</u> is taxable.</p> <p><u>Current law also exempts from sales tax "organic bedding materials and hay §1760.78)</u></p> | OTPA | Rev impact | (\$50,000 to \$75,000) Annual |
| | | | | | | | | Admin cost | can be absorbed |
| 444 | 165 | 4/9 | 4/17 | Bellows | An Act To Fully Restore Revenue Sharing | This bill restores state-municipal revenue sharing to 5% from 2% beginning April 1, 2019. | ONTP | Preliminary estimate MRS FY 19 (\$8,323,521) | |
| 448 | 1799 | 2/26 | 3/7 | Gratwick | An Act Repealing Tax Lien Foreclosure Requirements | <p>This bill is identical to LD 451.</p> <p>This bill removes the provisions enacted in Public Law 2017, chapter 478 that established a <u>preforeclosure process</u> that municipalities must use in order to foreclose on <u>homestead property</u> for nonpayment of property tax if the <u>owner is 65 years of age or older</u> and has <u>income and liquid assets below specified limits</u>.</p> <p><u>CURRENT LAW:</u> PL 2017, chapter 478 enacted the following foreclosure provisions:</p> <ol style="list-style-type: none"> 1. Specific notice requirements regarding the foreclosure process on the State Tax Assessor and municipalities; 2. Protects eligibility for homestead exemption if ownership is restored after foreclosure 3. If municipality chooses to sell covered foreclosed property it is must use real estate broker, sell at fair market value or anticipated value and pay net proceeds to former owner. <p><u>Sponsor requests "withdrawal of LD 448 in favor of LD 451."</u></p> | ONTP | Rev impact | None |
| | | | | | | | | Admin cost | Minor savings |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|-----|------|------|-----|---------|---|---|-------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| 451 | 325 | 2/26 | 3/7 | Moore | An Act To Repeal the Recently Enacted Changes to the Law Governing Tax Lien Foreclosure | <p>This bill is identical to LD 448.</p> <p>This bill removes the provisions enacted in Public Law 2017, chapter 478 that established a preforeclosure process that municipalities must use in order to foreclose on homestead property for nonpayment of property tax if the owner is 65 years of age or older and has income and liquid assets below specified limits.</p> <p><u>CURRENT LAW:</u> PL 2017, chapter 478 enacted the following foreclosure provisions:</p> <ol style="list-style-type: none"> 1. Specific notice requirements regarding the foreclosure process on the State Tax Assessor and municipalities; 2. Protects eligibility for homestead exemption if ownership is restored after foreclosure 3. If municipality chooses to sell covered foreclosed property it is must use real estate broker, sell at fair market value or anticipated value and pay net proceeds to former owner. <p><u>Sponsor requested at PH that bill be amended to remove Sec. 1 from bill (i.e. to retain c. 478 protection for homestead exemption eligibility).</u></p> <p><u>3/7 Voted to carryover to allow more time to evaluate experience with new law.</u></p> | Carry over | <p>State impact None</p> <p>Rev impact</p> <p>Admin cost Minor savings</p> <p>No info on municipal impact.</p> | |
| 452 | 1771 | 3/28 | 4/4 | Moore | An Act To Change the Penalty When Land under the Maine Tree Growth Tax Law Is Transferred | <p>This bill provides that if land classified under the Maine Tree Growth Tax Law is to be transferred, the <u>owner must notify</u></p> <ol style="list-style-type: none"> 1. <u>The assessor of the intended transfer and</u> 2. <u>The intended transferee of a potential withdrawal penalty.</u> <p><u>If land is transferred, a withdrawal penalty must be assessed against the transferor unless the intended transferee notifies the assessor of intent to maintain eligibility of the land for tree growth classification.</u></p> <p><u>Under current law</u></p> <ol style="list-style-type: none"> 1. <u>There are no pretransfer requirements.</u> 2. <u>The real estate transfer tax form signed at closing</u> | ONTP | <p>Preliminary fiscal impact MRS</p> <p>Fiscal impact: Unknown at this time</p> <p>Admin costs: Absorbed</p> <p>May be mandate costs.</p> | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|-----|-----|------|-------------|---------|--|--|-------------|--|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | contains <u>notice if land is classified under a current use program</u> and that a "substantial penalty may be assessed for change of use. 3. The purchaser has one year after transfer to submit evidence of a new harvest management plan and compliance. Otherwise land is considered withdrawn by the buyer. <u>MRS has concerns.</u> | | | |
| 465 | 783 | 3/6 | 3/13 4/3 | Stewart | An Act To Eliminate the Service Provider Tax on Services Covered by Medicaid | This bill repeals portions of the service provider tax that apply to services that are covered by the federal Medicaid program. The service provider tax was enacted in 2004 to provide dedicated revenue to match federal Medicaid funding. Removing Medicaid-covered services from the service provider tax results in the only services subject to the tax being services previously covered under the sales tax with revenue accruing to the General Fund. Service provider tax rate: 6% Sales tax rate 5.5% The service provider tax is a <u>tax on providers</u> , not consumers. Providers are permitted to separately state the provider tax on bills to consumers. <u>3/13 tabled for more info on options that will provide acceptable Medicaid reimbursement</u> | ONTP | Preliminary estimate MRS Rev impact To be provided by DHHS Admin cost \$56,000 | |
| 483 | 591 | 3/26 | 4/2 | Pouliot | An Act To Improve the Maine Seed Capital Tax Credit Program | This bill: 1. <u>increases the total annual aggregate amount of credits</u> that may be issued under the Maine Seed Capital Tax Credit Program from \$5,000,000 to \$10,000,000, 2. decreases the <u>total aggregate credits</u> that may be authorized for <u>any one business</u> from \$5,000,000 to \$3,500,000 and 3. requires that <u>eligible businesses</u> that provide a product or service that is sold or rendered predominantly outside the State maintain more than 50% of their employees in positions within the State. <u>See related chart comparing LD 6 and LD 1200.</u> | ONTP | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY19 | FY120 |
| 518 | 652 | 3/6 | 3/13 | Brooks | An Act To Change the Exclusion Amount under the Estate Tax | <p>This bill <u>reduces the exclusion amount</u>, below which the Maine estate tax does not apply, to <u>\$1,000,000</u> from \$5,600,000 for estates of decedents dying on or after January 1, 2020 and removes the annual adjustment for inflation of that exclusion amount.</p> <p>2017 federal TCJA doubled the federal estate tax exclusion from \$5,600,000 to \$11,200,000. Maine retained the exclusion at \$5,600,000.</p> <p>LD 420 proposes to reduce the exclusion to \$2,000,000.</p> <p><u>MRS has concerns to bring to the attention of the committee.</u></p> <p><u>3/13 Tabled for more budget developments</u></p> | table | Preliminary estimate MRS Rev impact (\$28,000,000) Annual Admin cost FY 21 \$688,617 FY 22 \$688,119 | |
| 529 | 133 | 4/10 | 4/10 | Cooper | An Act To Provide Property Tax Deferral for Senior Citizens and People with Physical Disabilities | <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 households with at least one individual who is 65 years of age or older or who retired from gainful employment due to physical disability and to surviving spouses who are at least 60 years of age and provides that household income must be less than \$40,000. This limit is indexed for inflation in 2020 and annually thereafter.</p> <p>This bill limits the total amount of property taxes that a taxpayer may defer to 80% of the taxpayer's equity in the property and requires the Finance Authority of Maine to establish a loan program to ensure adequate funding of reimbursements to municipalities.</p> <p>SEE RELATED CHART</p> | ONTP | | |
| 560 | 2224 | 2/20 | 2/27 | Grohoski | An Act To Improve Access to Property Tax Exemptions for New Homeowners | <p>This bill provides that a permanent resident of the State who owns a homestead in the State does not need to own the homestead for the preceding 12 months in order to qualify for the Maine resident homestead property tax exemption.</p> <p>Needs application date.</p> | OTPA/ ONTP | Preliminary estimate MRS <u>Appropriations for reimbursement</u> FY 21 \$1,000,000 Subsequent years \$1,400,000 Admin cost absorbed | |

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| | | | | | | | | FY19 | FY120 |
| 561 | 410 | 3/26 | 4/2 | Blume | An Act To Exempt from Taxation Certain Out-of-state Pensions | <p>This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income.</p> <p>The exemption is:</p> <ol style="list-style-type: none"> 1. calculated as the amount of the contribution made by the taxpayer that was taxed in another jurisdiction at time of contribution) divided by the life expectancy of the taxpayer and 2. applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction. 3. Applies only if the contribution was made using income on which income tax was paid and 4. is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine. | ONTP | | |
| 564 | 838 | 4/24 | 5/1 5/15 | Blume | An Act To Encourage the Installation of Solar Panels on Residential Property | <p>This bill provides a <u>property tax exemption</u> for the following <u>installed on</u> property that qualifies for a <u>homestead exemption</u>:</p> <ol style="list-style-type: none"> 1. <u>solar panels</u> and 2. <u>equipment necessary for operation</u> of the solar panels | Carry over | <p>Preliminary estimate MRS</p> <p>Rev impact (\$125,000) increasing in later years</p> <p>Admin cost \$100,000 annually</p> | |
| 604 | 1687 | 2/20 | 2/27 4/2 | Chenette | An Act To Create an Electric Vehicle Tax Credit | <p>This bill provides an income tax credit for the purchase of a new plug-in electric-drive motor vehicle that is eligible for a federal income tax credit and is purchased for \$50,000 or less.</p> <p>The credit is \$300 plus \$50 for each kilowatt-hour of battery capacity in excess of 5 kilowatt-hours up to a maximum credit of \$1,500.</p> <p>LD 614 in EUT proposes a rebate of \$2,500 for certain purchases of eligible electric vehicles. PH not yet scheduled.a</p> <p>MRS has concerns with the bill as written.</p> <p><u>2/27 tabled for LD 614. LD 614 scheduled for public hearing in EUT on 3/19</u></p> | ONTP | <p>Preliminary estimate MRS</p> <p>Rev impact: FY 21 (\$1,600,000) Increasing to FY 23 (\$2,200,000)</p> <p>Admin cost \$11,000</p> | |

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|-----|------|------|------------|---------|--|---|-------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| 607 | 496 | 2/20 | 2/27 | Guerin | An Act To Provide Equitable Taxation for the Food and Beverage Industry | <p>This bill allows a deduction from Maine individual and corporate taxable income for the federal tax credit allowed to an employer for the employer's share of federal social security taxes paid on the portion of an employee's tips that cause the employee's wages to exceed \$5.15 per hour.</p> <p><u>MRS reports that the language of the bill does not correctly describe the federal treatment of the "tips credit" and should be amended to provide a deduction "equal to the federal deduction for FICA taxes expense that the employer was prohibited from claiming due to claiming the FICA Taxes Credit."</u></p> | OTPA/ ONTP | <p>Preliminary estimate MRS</p> <p>Rev impact (\$50,000) Annual</p> <p>Admin cost cannot be determined</p> | |
| 609 | 1234 | 3/27 | 4/3 5/7 | Terry | An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales | <p>This bill provides an incremental sales tax of 1% for those sales currently subject to the 9% sales tax on lodging. The incremental revenue, after reduction for administrative costs, is returned to the municipality or unorganized territory to which the revenue is attributable. The amount received may not be used to reduce any other state aid or revenue sharing to municipalities or the unorganized territory.</p> <p><u>See related chart (yellow)</u> MRS concerns</p> <p><u>4/3 tabled pending further consideration; request for AG's opinion</u></p> <p><u>AG's opinion:</u> <ol style="list-style-type: none"> <u>1. Legislative authorization required for local option sales tax</u> <u>2. Impact of Wayfair case cannot be determined at this time.</u> </p> | carryover | <p>Preliminary fiscal estimate MRS</p> <p><u>Admin costs:</u> \$21,000 plus rept to calculate amount due municipality</p> | |
| 625 | 612 | 2/20 | 2/27 | Stanley | An Act To Phase Out the Insurance Premium Tax on Annuities | <p>This bill phases out the insurance premium tax on annuity considerations over 4 years beginning in 2020. The bill reduces the current rate of 2% of gross direct premiums to:</p> <p>1.5% in 2020 1% in 2021 0.5% in 2022 0% in 2023 forward</p> | OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact FY 20 (\$900,000) Increasing to FY 23 (5,250,000)</p> <p>Admin cost \$33,000</p> | |

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|------------|------|-----|------|---------|--|--|-------------|--|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | <p><u>During the phase-out period, the reduced rate applies only if the insurer credits the savings from the rate reductions to annuity holders.</u></p> <p>The bill also specifies that certain deductions related to annuities may be deducted only from annuity considerations for tax periods beginning on or after January 1, 2020.</p> <p>MRS has concerns with the bill as written.</p> | | | |
| 645 | 565 | 4/9 | 4/17 | Craven | RESOLUTION, Proposing an Amendment to the Constitution of Maine To Cap the Property Tax on the Primary Residence of Certain Residents Who Are 65 Years of Age or Older | <p>This resolution proposes to amend the Constitution of Maine to <u>authorize the Legislature to require municipalities to cap property taxes:</u></p> <ol style="list-style-type: none"> 1. on property owned and occupied as a <u>person's primary residence</u> 2. if that person is <u>at least 65 years of age</u> and 3. the household income for the residents of the <u>property does not exceed 400% of the federal poverty level.</u> <p>The tax would be stabilized at the amount assessed on the property <u>on the later of the date by which the person attained 65 years of age or purchased the property.</u> Upon transfer of the property to someone other than a family member of the owner, the property would assume the just value at the time of transfer.</p> <p><u>Language is unclear</u> whether tax is being frozen or rate of tax (assume mill rate?)</p> <p>The <u>State would be required to reimburse a municipality for any revenue lost due to the cap on property taxes.</u></p> <p>State mandate costs?</p> <p><u>MRS language and technical concerns.</u></p> | ONTP | <p>Preliminary estimate MRS</p> <p>Rev impact Under review Quicly expands</p> <p>Admin cost Unclear</p> | |
| 655 SLG | 1370 | | | Ordway | An Act To Allow Municipalities To Send Separate Tax Bills for Municipal and County and School Taxes | <p>This bill permits municipalities to issue separate bills for the portion of their tax commitments attributable to education funding and the portion attributable to county taxes and all other municipal costs.</p> | | | |

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|-----|-----|------|-------------|------------|--|---|-------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| 660 | 712 | 2/27 | 3/6 | Mastraccio | An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax | <p>This bill provides a sales tax exemption to a parent-teacher organization <u>organized as a public benefit corporation</u>.</p> <p>This bill is identical to LD 27 in the 128th Legislature which was voted OTPA by TAX and ultimately died on the Appropriations Table at the end of the 128th Legislature.</p> <p>Revenue impact on LD 27: FY 18 (\$7,350) FY 19 (\$10,094)</p> | OTPA | Preliminary estimate MRS Rev impact Approx. (\$10,000)/yr Admin cost \$50,000 One time | |
| 669 | 718 | 5/1 | 5/9 | Morales | An Act To Provide Housing Relief for Maine Families and Seniors | <p>Sponsor submitted amendment at PH: <u>Creates refundable housing relief credit</u>"</p> <ol style="list-style-type: none"> 1. For Maine residents who <ol style="list-style-type: none"> A. own or rent a primary residence B. do not receive housing subsidy C. Earnings less than 250% federal poverty level (FPL) 2. Amount of credit 200% FPL or less <ol style="list-style-type: none"> A. Under age 65 \$400 plus \$100/each for up to 3 dependents B. Age 65+ \$500 plus \$100/each up to 3 dependents 3. Amount of credit 200% FPL to 250% FPL <ol style="list-style-type: none"> A. Under age 65 \$200 plus \$100/each for up to 3 dependents B. Age 65+ \$300 plus \$100/each up to 3 dependents <p>Potential funding source: Increase real estate transfer tax on transfers over \$1,000,000 from \$2.20 to \$3.20 per \$500 of value.</p> | ONTP | | |
| 682 | 692 | 4/9 | 4/17 5/6 | Bailey | An Act To Provide Seniors and Certain Persons with Disabilities Assistance with Property Taxes through the Deferral of Those 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 households with at least one individual who is:</p> <ol style="list-style-type: none"> 1. 65 years of age or older or 2. unable to continue employment due to disability and 3. surviving spouses who are at least 60 years of age or who are unable to continue employment due to disability. | OTPA | Preliminary estimate MRS Revenue impact: Under review Admin costs: \$100,000 to \$200,000 annually | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>Income must be less than \$40,000. This income limit is indexed for inflation in 2021 and annually thereafter.</p> <p>The bill also changes the rate of accrual of interest on deferred property taxes from 6% to the prime rate published in the Wall Street Journal rounded up to the next whole percent minus one percentage point.</p> <p>The bill adds a maximum liquid asset standard for eligibility of property owners and provides that property may not be subject to deferral under both the state deferral program and a municipal deferral program.</p> <p style="text-align: center;">SEE RELATED CHART</p> | | | |
| 709 | 1432 | 2/27 | 3/6 | Berry | An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax | <p>Sales and use tax exemption for:</p> <ol style="list-style-type: none"> 1. meals, 2. up to a maximum cost to the employer of <u>\$6 per day</u>, 3. provided to an employee of an eating establishment 4. while that employee is working. <p>It provides that, beginning in 2020, the maximum daily amount of the exemption must be adjusted for inflation.</p> <p><u>MRS has concerns.</u> MRS has provided relevant <u>instructional bulletin #27</u></p> | OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact (\$900,000 to \$2,300,000)/year</p> <p>Admin cost absorbed</p> | |
| 725 | 1917 | 3/13 | 3/21 | Fay | An Act To Provide an Income Tax Credit To Encourage Small Business Hiring | <p>This bill provides a <u>refundable income tax credit</u> for employers with an average of <u>25 or fewer full-time employees</u> during a tax year.</p> <p>The <u>credit</u> is equal to the amount of federal <u>social security tax and Medicare tax</u> paid by the employer for the first 40 hours of employment for new qualified employees</p> <p><u>"New qualified employees</u> are :</p> <ol style="list-style-type: none"> 1. New full-time year round employees hired in 24 previous months and retained at least 12 months during the 24 month period 2. Seasonal full-time employees hired in 24 previous months and reemployed for a second season | ONTP | | |

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| | | | | | | | | FY19 | FY120 |
| 726 | 2048 | 2/27 | 3/6 | McCrea | An Act To Make Sales to Area Agencies on Aging Tax-exempt | <p>This bill provides an <u>exemption from the sales and use tax</u> to:</p> <p>A. <u>Area agencies on aging</u>, as designated by the Department of Health and Human Services, and</p> <p>B. <u>Public and private nonprofit agencies</u> that are operating under <u>grants provided by the DHHS</u>, that <u>provide social services</u> in order to secure and maintain maximum independence and dignity in a <u>home environment for older people capable of self-care with appropriate supportive services</u>.</p> <p>Should this also be a service provider tax exemption for services previously covered under sales tax? (telcom: fabrication; cable and satellite TV; rental of furniture, audio and video media and equipment)</p> <p>MRS has technical concerns</p> | OTPA | Preliminary estimate MRS Rev impact (\$90,000)/year Admin cost absorbed | |
| 731 | 723 | | | Tipping | An Act To Amend the Maine Tax Laws | <p>This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the Maine tax laws.</p> | | | |
| 732 | 499 | 2/27 | 3/6 | Tipping | An Act To Provide a Sales Tax Exemption for Nonprofit Career and Technical Student Organizations | <p>This bill provides a <u>sales tax exemption to nonprofit career and technical education student organizations</u> recognized by the Department of Education.</p> <p>This bill is identical to LD 79 in the 128th Legislature which was voted OTPA by TAX and ultimately died on the Appropriations Table at the end of the 128th Legislature.</p> <p>Revenue impact on LD 79: FY 18 (\$1,372) FY 19 (\$2,019)</p> | OTPA | Preliminary estimate MRS Rev impact (\$5,000)/year Admin cost \$50,000 One time | |
| 751 | 882 | 4/9 | 4/17 | Skolfield | An Act To Reinstate the State Property Tax Deferral Program for Maine's Senior Homeowners | <p>This bill reinstates the State's elderly property tax deferral program, which until April 1, 1991 provided a mechanism allowing qualifying senior homeowners to defer property tax payments and required the State to pay the property taxes on behalf of the homeowners. This bill modifies the program's eligibility standards by increasing the household income threshold from less than \$32,000 to less than \$40,000 and adding a liquid asset limit. The bill makes the existing abatement and</p> | ONTP | Preliminary estimate MRS Rev impact (\$900,000 to \$2,300,000)/year Admin cost absorbed | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>appeal processes available in cases in which the State Tax Assessor disagrees with the municipal assessment of a property eligible for enrollment in the program.</p> <p>SEE RELATED CHART</p> | | | |
| 811 | 770 | 4/16 | 4/24 | Hamper | An Act To Provide Additional Flexibility in the Municipal Property Tax Assistance Programs for Seniors | <p>This bill amends the law regarding <u>municipal option property tax assistance (circuitbreaker) programs</u> to provide more flexibility to municipalities that choose to implement a program <u>by allowing the municipality to establish:</u></p> <ol style="list-style-type: none"> 1. A <u>minimum age for eligibility</u>, as long as that age is at least 62 years; and 2. A <u>minimum length of time that the claimant has maintained a homestead</u> in the municipality. <p>A municipality may impose <u>other eligibility standards</u> and procedures, as long as they are established <u>by ordinance.</u></p> <p><u>MRS has concerns</u></p> | OTPA fno | <p>Preliminary estimate MRS</p> <p>Admin cost: absorbed</p> | |
| 812 | 1387 | 4/9 | 4/17 | Chenette | An Act To Stabilize Property Taxes on Homesteads of Individuals Who Are 66 Years of Age or Older | <p>This bill establishes a new program requiring a municipality to maintain the property tax on:</p> <ol style="list-style-type: none"> 1. the homestead of a <u>permanent resident</u> of the State 2. who is <u>at least 66 years of age</u> or older at <u>the amount billed in the year prior to an application.</u> <p><u>State pays municipality for difference</u> between the amount by which the tax assessed in the usual way and the stabilized amount.</p> <p>An applicant for stabilization must</p> <ol style="list-style-type: none"> 1. be a permanent resident of the State and 2. must have received a property tax fairness credit for the income tax year preceding application for stabilization. 3. Apply annually <p><u>Potential state mandate costs.</u></p> <p><u>Potential constitutional problems.</u></p> | ONTP | <p>Preliminary estimate MRS</p> <p>Reimbursement cost estimate (\$280,000 to \$1,080,000)/year</p> <p>Admin cost: \$90,000 to \$100,000 annually</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <u>MRS has administrative concerns.</u> <u>Municipalities have administrative concerns.</u> | | | |
| 824 | 645 | 2/27 | 3/6 3/27 | Therault | An Act To Allow A Municipality To Opt Out of Collecting Personal Property and Business Equipment Taxes | This bill allows a municipality, by referendum, to exempt all personal property, including business equipment, located in that municipality from assessment and collection of tax by that municipality. Local option property tax exemptions are unconstitutional under Article 9, Section 8 of the Maine Constitution. Pink handout shows amount of taxable personal property and Business Equipment Tax Exemptions (BETE) per municipality. Maine Revenue Services has technical concerns. <u>3/6 Tabled to look into constitutional issue. Sen. Pouliot to talk to AG's office</u> | ONTP | | |
| 837 | 710 | 4/16 | 4/24 | Mastraccio | An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age | SEE SEPARATE CHART This bill provides an additional \$30,000 homestead property tax exemption, for a total exemption of \$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. The bill requires the State to reimburse municipalities 100% of the revenue lost as a result of the increased exemption for persons 75 years of age or older. | ONTP | | |
| 839 | 566 | 4/24 | 5/1 | Cloutier | An Act To Increase Funding For Multimodal Transportation | This bill <u>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, 2019.</u> <u>All revenue from the short term rental of automobiles, small trucks and vans is deposited in the Multimodal Transportation Fund. (23 MRSA §4210-B)</u> <u>MRS does not have concerns</u> | OTPA/ ONTP | Preliminary estimate MRS Rev impact Will eventually raise \$5.5 million Admin cost absorbed | |
| 854 | 311 | 3/6 | 3/13 4/4 | Ackley | An Act To Improve Tax Incentives for Broadband Service | This bill expands the allowable use of tax increment financing to include development, expansion or improvement of broadband services, including | OTPA | Preliminary estimate MRS Rev impact Most likely none | |

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|-----|------|------|--------------------|---------|--|---|---------------------------------------|--|---|
| | | | | | | | | FY19 | FY120 |
| | | | | | | connecting to broadband service outside the tax increment financing district. Maine Revenues Services has concerns to bring to the attention of the committee. 4/4 Reeconsidered and revoted to coordinate with LD 1123 | OTPA | Admin cost | absorbed |
| 863 | 391 | 3/19 | 3/27 | Tepler | An Act To Exempt Diapering Products from Sales Tax | This bill provides a sales tax exemption for disposable and reusable diapers for children, including diaper covers, wraps and diaper pins that are used with reusable diapers. This bill is the same as LD 76 in the 128 th Legislature which received a divided report in TAX (7 ONTP/ 6 OTPA). LD 76 died between bodies. Fiscal Impact LD 76 FY 18 (\$1,102,500) FY 19 (\$1,528,800) | OTPA/ ONTP Fiscal note only | | |
| 873 | 2173 | 3/6 | 3/13 4/3 4/4 | Grignon | An Act To Limit Registration Fees on Water Well Drilling Equipment To Encourage Purchasing of Modern Equipment for Rural Well Construction | <u>NOTE: Bill title is misleading. It does not affect "registration fees." Bill is not restricted in any way to "rural well construction."</u> This bill sets the <u>annual personal property tax</u> on equipment for water well drilling owned by a licensed well driller at \$2,500 for tax years beginning January 1, 2020 and thereafter. This bill violates Article IX, Section 8 of the Maine Constitution which requires that all taxes on real and personal property be "... assessed equally and according to the just value thereof." <u>Maine Revenue Services has concerns to bring to the attention of the committee.</u> <u>3/13 Tabled for more info about ways neighbor state tax similar equipment</u> BMV has provided results of their research. <u>4/3 Tabled for sponsor to work MRS on proposed amendment. Rescheduled for 4/4</u> | OTPA | Preliminary estimate MRS Rev impact Admin cost | Cannot be determined at this time absorbed |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|-----|-----|------|-------------|---------|---|--|-------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| 887 | 128 | 5/1 | 5/9 | Blume | An Act To Improve the Property Tax Fairness Credit | This bill increases the maximum credit available under the property tax fairness credit to \$2,000 for resident individuals, regardless of age. Current law provides a maximum credit of \$750 for resident individuals under 65 years of age and \$1,200 for resident individuals 65 years of age and older. This bill also removes the inclusion of benefits received under the federal Social Security Act and railroad retirement benefits from being included as income for purposes of determining the credit. The credit is fully refundable after the application of nonrefundable credits. SEE SEPARATE CHART | ONTP | Preliminary estimate MRS Rev impact Most likely none Admin cost absorbed | |
| 892 | 448 | 3/6 | 3/13 4/3 | Vitelli | An Act To Exempt MaineCare Appendix C Private Nonmedical Institutions from the Service Provider Tax | This bill repeals the service provider tax for so-called MaineCare Appendix C private nonmedical institutions (PNMIs), which are residential care facilities maintained wholly or partly for the purpose of providing residents with medical and remedial treatment services. The service provider tax continues to apply to private nonmedical institution services that are provided by MaineCare Appendix B, D, E or F private nonmedical institutions. Identical bill in 2016 had fiscal note indicating annual loss of revenue of approx.. \$9,700,000. <u>3/13 tabled for more info on options that will provide acceptable Medicaid reimbursement</u> | ONTP | Preliminary estimate MRS Rev impact (\$11,200,000) GF Admin cost absorbed | |
| 903 | 868 | 3/13 | 3/21 | Cuddy | An Act To Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income | This bill changes corporate income tax rates/brackets for tax years beginning on or after January 1, 2020. <u>Current law corporate IT rates:</u> \$0-\$350,000 3.5% \$350,000 - \$1,050,000 7.93% \$1,050,000-\$3,500,000 8.33% \$3,500,000+ 8.93% <u>Under the bill, corporate IT rates are:</u> \$0-\$350,000 3.5% \$350,000 - \$1,050,000 7.93% \$1,050,000-\$2,000,000 8.33% \$2,000,000-\$3,000,000 8.5% | Table | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|-----|------|------|--------------|-----------|--|---|----------------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | \$3,000,000-\$3,500,000 8.75% \$3,500,000+ 9% 3/21 Tabled for further consideration. | | | |
| 905 | 2024 | 3/13 | 3/21 | Daughtry | An Act To Exempt Long-term Capital Gains from Income Tax for Certain Income Levels | This bill provides an <u>individual income tax exemption</u> for net capital gains on the sale of: 1. <u>Securities held for 10 years or longer</u> and that are subject to federal income tax 2. For <u>individuals</u> with <u>FAGI</u> of: A. \$300,000 or less if filing <u>married joint returns</u> ; B. \$150,000 or less for <u>all other individuals</u> . | ONTP? OTPA | | |
| 922 | 1819 | 4/24 | 5/1 | Cooper | An Act To Provide a Property Tax Exemption for Renewable Energy Fixture | This bill provides a property tax exemption for: 1. qualifying renewable energy fixtures 2. installed on real property 3. on or after September 1, 2019 4. for residential, commercial or industrial purposes. The installation where the fixture is installed must have an intended full load output that does not exceed the load for the location where the fixture is installed. <i>PH 4/24 Sponsor requests amendment to amend "renewable energy fixtures" to provide that the listed items are not exclusive to accommodate future technologies.</i> | ONTP | Preliminary estimate MRS Rev impact Not available Admin cost \$90,000 to \$100,000 annually | |
| 957 | 621 | 5/1 | 5/9 | Ingwersen | An Act To Increase the Property Tax Fairness Credit | This bill increases the maximum credit available under the property tax fairness credit from \$750 to \$1,000 for resident individuals under 65 years of age and from \$1,200 to \$1,500 for resident individuals 65 years of age and older and decreases the threshold from 6% to 5% of the resident individual's income for purposes of calculating the credit. SEE SEPARATE CHART | ONTP | | |
| 958 | 2209 | | | Tipping | An Act To Amend the Maine Income Tax Laws | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the Maine income tax laws. | | | |
| 963 | 2174 | 3/13 | 3/21 4/10 | Grignon | An Act To Exempt Overtime Pay from Individual Income Tax | This bill provides an <u>income tax deduction</u> for <u>overtime compensation</u> received by an employee if the employer is required by federal law to pay the overtime compensation to the employee. | ONTP/ OTPA fno | Preliminary fiscal estimate MRS <u>Revenue impact:</u> (\$12,000,000)/year if paid for amount | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|-----|------|------|------|---------|---|--|-------------|--|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | <p><u>3/21 Tabled for interested committee members to work with sponsor and MRS to resolve technical issues</u></p> <p>Concerns raised::</p> <ol style="list-style-type: none"> 1. How is OT defined. 2. Is exemption for all compensation paid for OT or just the OT extra amount? 3. What about OT required by laws other than 26 §664; what about OT required by collective bargaining agreement; What about work performed in another State? 4. How would the info be provided to tax payer and to MRS regarding calculation of the exempt amount? | | <p>in excess of regular wages</p> <p>(\$36,000,000)/year if applies to all overtime compensation</p> <p><u>Admin cost:</u></p> <p>FY 20 \$78,743</p> <p>FY 21 \$85,661</p> | |
| 989 | 1241 | | | Chipman | An Act To Improve Maine's Tax Laws | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the Maine income tax laws. | | | |
| 977 | 422 | 3/13 | 3/21 | Hepler | An Act To Restore the Super Credit for Substantially Increased Research and Development | <p>This bill restores an income tax credit for certain research expenditures that was ended in 2014 and makes certain changes.</p> <p><u>Pre-2014 credit:</u></p> <p>A taxpayer that qualified for a separate research expense tax credit (§5219-K) was allowed a so-called super credit for qualified research expenses for research conducted in this State over the "base amount.". "Base amount" was equal to average 3-year previous expenditures increased by 50%. A taxpayer who had unused credits may carry over any unused credit for the next succeeding 10 years, except that the credit is limited to no more than 25% of the taxpayer's tax due after the allowance of other tax credits.</p> <p><u>This bill:</u></p> <ol style="list-style-type: none"> 1. <u>Restores</u> the availability of the super credit, <u>retroactive</u> to January 1, 2014, and 2. <u>Resets the base amount</u> to the average annual amount spent by the taxpayer on qualified research expenses during the 3 years before the credit is taken or during the 3 years before the effective date of this legislation, whichever is greater. 3. Carry-over provisions unchanged. | OTPA | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|------|------|------|------|-----------|---|--|---------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| 1019 | 1020 | 3/26 | 4/2 | Keim | An Act To Eliminate the Double Taxation of Out-of-state Pensions | This bill eliminates double taxation of certain employee contributions to retirement benefit plans made in other states by <u>exempting from Maine income tax the portion of retirement benefits attributable to the taxpayer's contribution to an employee retirement plan or an individual retirement account that was taxed by another state or local jurisdiction if those benefits are included in federal adjusted gross income.</u> | OTPA | | |
| 1028 | 493 | 4/11 | 4/18 | McCreight | An Act To Prevent and Reduce Tobacco Use with Adequate Funding and by Raising the Tax on Tobacco Products | <p>This bill:</p> <ol style="list-style-type: none"> 1. <u>increases the cigarette tax</u> from \$2.00 to \$3.50 per pack of 20 cigarettes and 2. <u>increases the tax on all other tobacco products including electronic cigarettes</u> to 81% of the wholesale sales price, beginning November 1, 2019. <p>The bill provides that, if the tax on cigarettes is increased on or after November 1, 2019, the tax on all other tobacco products will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.</p> <p>The bill <u>provides ongoing funding</u>,</p> <ol style="list-style-type: none"> 1. \$11,100,000 per year, to the Department of Health and Human Services, Maine Center for Disease Control and Prevention for <u>tobacco use prevention and cessation</u> in order to align with the United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. 2. \$1,000,000 in fiscal year 2019-20 and \$750,000 thereafter <u>for MaineCare members for tobacco use cessation medications and counseling.</u> 3. \$250,000 per year in ongoing <u>funding to the Attorney General's office for increased tobacco enforcement activities.</u> <p>MRS concerns about:</p> <ol style="list-style-type: none"> 1. <u>timing of implementation of cigarette increase.</u> 2. <u>Definition of electronic cigarette in Title 36 rather than cross ref to Title 22.</u> | OTPA/ ONTP | Preliminary fiscal impact MRS Fiscal impact: \$10-\$15 million/year Admin costs: Under review | |
| 1031 | 1369 | 3/19 | 3/27 | Ordway | An Act To Base the Vehicle and Mobile Home Excise Tax on Actual Value | <p><u>MVET base:</u> <u>Current law:</u> MVET base is the "maker's list price." (except for certain commercial trucks, tractor trailers, special mobile equipment and buses are based on</p> | ONTP | Preliminary impact BMV: Cost to HF for reimbursement | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | | | | | | | | | | | | |
|----------------------------|------------|------|------|----------------|--|---|----------------------------|----------------------------|----------------------------|------------|----------------------------|------------|----------------------------|----------|----------------------------|-----------|-------|---------|--|---|
| | | | | | | | | FY19 | FY120 | | | | | | | | | | | |
| | | | | | | <p><u>purchase price</u>) <u>MVET is in lieu of property tax.</u></p> <p><u>This bill:</u> Requires that the MVET for <u>all vehicles</u> be based upon the <u>purchase price*</u> 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><u>MVET rates:</u></p> <table> <tr> <td>1st model year</td> <td>24 mills</td> </tr> <tr> <td>2nd model year</td> <td>17.5 mills</td> </tr> <tr> <td>3rd model year</td> <td>13.5 mills</td> </tr> <tr> <td>4th model year</td> <td>10 mills</td> </tr> <tr> <td>5th model year</td> <td>6.5 mills</td> </tr> <tr> <td>Older</td> <td>4 mills</td> </tr> </table> <p><u>State reimbursement to municipalities:</u> Current law requires the State to reimburse a municipality for the difference in the amount of excise tax that would have been collected by the municipality on each commercial motor vehicle or bus using the maker's list price instead of the actual purchase price.</p> <p><u>Summary states this bill applies that requirement to all vehicles taxed on "actual value", but does not make all the statutory changes needed to accomplish that result.</u></p> <p>* "Actual value" means actual value obtained from <u>sources approved by STA as of the time of delivery of the vehicle to the owner.</u></p> <p>Unclear how "actual value" would be determined for used vehicles or vehicles transferred by means other than purchase.</p> <p><u>BMV has administrative concerns.</u> <u>MRS has language and administrative concerns.</u></p> | 1 st model year | 24 mills | 2 nd model year | 17.5 mills | 3 rd model year | 13.5 mills | 4 th model year | 10 mills | 5 th model year | 6.5 mills | Older | 4 mills | | <p>?????</p> <p>MRS: Revenue: None Admin: Can be absorbed</p> <p>Maybe mandate costs for municipalities to request reimbursement?</p> |
| 1 st model year | 24 mills | | | | | | | | | | | | | | | | | | | |
| 2 nd model year | 17.5 mills | | | | | | | | | | | | | | | | | | | |
| 3 rd model year | 13.5 mills | | | | | | | | | | | | | | | | | | | |
| 4 th model year | 10 mills | | | | | | | | | | | | | | | | | | | |
| 5 th model year | 6.5 mills | | | | | | | | | | | | | | | | | | | |
| Older | 4 mills | | | | | | | | | | | | | | | | | | | |
| 1042 | 1721 | 4/23 | 4/30 | Roberts-Lovell | An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings | This bill permits a veteran with a <u>service-connected disability</u> rated by the United States Department of Veterans Affairs at <u>30% or greater</u> to choose to have the <u>homestead exemption equal to 50% of the just value of the homestead</u> | carryover | | | | | | | | | | | | | |

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|------|------|------|-------------|---------|---|--|-------------|-------------------------------|---|
| | | | | | | | | FY19 | FY120 |
| | | | | | | <p><u>multiplied by</u> the veteran's <u>percentage disability rating</u>.</p> <p>This calculation of the homestead exemption replaces the current homestead exemption of \$20,000 and separate exemptions for veterans and legally blind persons.</p> <p>The bill requires the <u>State to reimburse municipalities for 75% of the revenue loss</u> attributable to the new exemption.</p> | | | |
| 1044 | 1790 | TRA | 5/6 5/15 | Head | An Act To Advance Children's Cancer Research in Maine | <p>This bill has been <u>rereferred from TRA</u> with the sponsor's recommendation that the bill <u>be turned into a tax check-off on the income tax form</u>.</p> <p>The <u>original bill</u> creates the option for an individual to make a <u>donation upon vehicle registration or renewal</u> in support of children's cancer research and establishes the Maine Children's Cancer Research Fund for collection of the donations. All donations are transferred quarterly to an entity determined by the Secretary of State and <u>must be used exclusively for children's cancer research</u>.</p> <p>Current law requires the <u>removal of a check-off from the IT form if it does not raise at least \$25,000</u> during the previous calendar year.</p> <p>5/6 tabled for JSJ to work with sponsor on draft for checkoff</p> | OTPA | | |
| 1069 | 614 | 3/28 | 4/4 | Tipping | An Act To Amend the Tax Expenditure Review Process | <p>This bill changes dates for the submission to the Legislature of certain tax expenditure reports</p> <ol style="list-style-type: none"> 1. <u>Full review reports</u>. TAX committee report to Legislature changed from December 1st to later of 90 days after report received from OPEGA or adjournment sine die. 2. <u>Expedited reports</u>. <ol style="list-style-type: none"> A. Date for <u>OPEGA submission</u> of materials to TAX changed from July 1st to December 15th. B. Date for <u>TAX committee report</u> to Legislature changed to March 1st. | OTPA fno | Preliminary fiscal impact MRS | <p>Fiscal impact: None known</p> <p>Admin costs: None known</p> |

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|------|------|------|------|----------|---|--|-------------|---|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | These changes are made to accommodate previous reporting changes made with regard to full evaluations of tax expenditures and to facilitate a more efficient review of all tax expenditure provisions. <u>No MRS concerns.</u> | | | |
| 1070 | 432 | 4/11 | 4/18 | Cardone | An Act To Reduce the Number of Domestic Assaults and Suicides By Increasing the Tax on Alcohol | This bill, increases: 1. The <u>premium tax</u> on <u>spirits</u> from \$1.25 to \$1.50 per proof gallon, 2. The <u>excise tax</u> on <u>malt liquor</u> from 35¢ to 50¢ per gallon, 3. The <u>excise tax</u> on <u>wine, fortified wines and hard cider</u> and 4. The <u>sales tax</u> imposed on the sale of <u>liquor</u> sold in establishments for consumption on ? or off? premises from 8% to 10%. <u>MRS has technical concern about drafting of timing of sales tax increase.</u> | ONTP/ | Preliminary estimate MRS Rev impact Sales tax \$6,000,000 Excise tax Under review--BABLO Admin cost MRS \$26,000 | |
| 1074 | 1961 | 3/19 | | Gramlich | An Act To Establish a Tax on Water Extracted for Bottling in Order To Secure the Economic Future of Rural Maine | This bill creates an <u>excise tax of 12¢ per gallon</u> on the <u>extraction of groundwater or surface water for commercial bottling for sale by a bottled water operator that extracted more than 1,500,000 gallons of water in the previous year.</u> <u>Revenue from the tax must be used</u> to improve the economy of the State by: 1. 65% Supporting the expansion and improvement of high-speed <u>broadband access</u> and 2. 35% Providing <u>tuition grants</u> for up to 2 years for postsecondary education. | | | |
| 1076 | 1507 | 4/11 | 5/7 | Berry | An Act To Account for Market Change in the Adult Use Marijuana Excise Tax | <u>Current law:</u> Excise tax on marijuana sold by cultivation facility: 1. Flower and mature plants: \$335 per pound 2. Trim: \$94 per pound 3. Immature plants and seedlings: \$1.50 per plant or seedling 4. Seeds: \$.30 per seed. <u>This bill changes the excise tax</u> on adult use marijuana cultivation facilities from a tax based on quantity to a tax based on a <u>percentage of the average market price</u> for | carryover | Preliminary estimate MRS Rev impact under review Admin cost \$16,000 | |

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|------|-----|------|-------------|----------|--|---|-------------|--|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>the category of marijuana sold. The bill requires the average market price to be determined quarterly by the Department of Administrative and Financial Services. The tax would not apply to sales by a cultivation facility to a licensee with which it is vertically integrated.</p> <p><u>MRS has concerns</u> about determination of “average market price,” potential revenue volatility and vertically integrated facilities.</p> <p><u>Technical conflict:</u> LD 1076 repeals and replaces 28-B§1001 LD 1652 (MRS MJ technical bill moves §1001 to Title 36</p> | | | |
| 1110 | 335 | 3/27 | 4/3 | Gramlich | An Act To Establish a Local Option for Sales Tax | <p>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, the categories of taxable items the local option sales tax will apply to 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 to the municipality imposing the local option sales tax. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law</p> <p><u>See related chart (yellow)</u> MRS concerns</p> | ONTP | <p>Preliminary estimate MRS</p> <p>MRS Admin costs still being researched.</p> | |
| 1122 | 679 | 3/28 | 4/4 4/10 | Pouliot | An Act To Expand Tax Increment Financing | <p>This bill expands the types of projects eligible for tax increment financing for municipalities and plantations by including <u>public safety facilities</u> instead of just fire stations, as in the current law.</p> <p><u>Amendment submitted by sponsor</u> (Pouliot) 3/28</p> <ol style="list-style-type: none"> 1. Changes “public safety facilities” to “police stations and other public safety facilities” and 2. Changes provision requiring that costs are “made necessary” by the establishment of the TIF district to requiring that the costs are “reasonably related” to the establishment of the district. | OTPA | <p>Preliminary fiscal impact MRS</p> <p>Fiscal impact: None known</p> <p>Admin costs: None known</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>DECD indicates need for definition of "public safety facility."</p> <p>MRS does not have concerns.</p> <p><u>DECD written testimony indicates need for definition of "public safety facilities."</u></p> <p><u>4/4 DECD submitted proposed amendment</u></p> <ol style="list-style-type: none"> 1. Defines "public safety facility" 2. Includes as allowable project costs "construction or operation" of "public safety facilities" up to 15% of the captured asses value of the TIF district <p><u>4/4 Tabled for time to consider DECD language.</u></p> <p><u>4/10 New language provided by DECD after meeting with sponsor and city of Augusta reps.</u></p> | | | |
| 1123 | 1173 | 3/28 | 4/4 | Black | An Act Regarding Telecommunications Infrastructure Costs | <p>This bill amends the laws governing TIF development districts designated by a municipality or plantation to provide that costs associated with broadband and fiber optics expansion projects, including preparation, planning, engineering and other related costs in addition to the construction costs of such projects, whether or not such expansion projects serve residential or business areas within the municipality or plantation are authorized project costs.</p> <p>This bill is similar to LD 854, An Act To Improve Broadband Service previously voted OTPA by the TAX.</p> <p>MRS does not have concerns.</p> <p><u>DECD (Andrea Smith) has concerns regarding the language.</u></p> | ONTP | <p>Preliminary fiscal impact MRS</p> <p>Fiscal impact: None known</p> <p>Admin costs: None known</p> | |
| 1131 | 1993 | 3/26 | 4/2 | Morales | An Act To Improve the Ability of Senior Citizens and Persons with Disabilities To Stay in Their Homes | <p>This bill <u>changes the maximum income eligibility level</u> for:</p> <ol style="list-style-type: none"> 1. The <u>income tax credit</u> for home modifications to improve <u>accessibility</u> and 2. The <u>Maine State Housing Authority pilot project</u> to assist older adults and persons with disabilities with certain <u>home modifications</u>. <p>The new income eligibility level for each program is changed to the <u>area median income</u> as determined by the U.S. HUD for the county or municipality in which the</p> | OTPA | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
|------|------|------|------------------------------------|---------|---|---|-------------|--|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>home is located.</p> <p><u>Application date needed.</u></p> <p><u>Sponsor suggested amendment to:</u></p> <ol style="list-style-type: none"> 1. Change <u>income threshold for credit</u> to \$85,000 For married filing jointly 2. MSHA and local housing agencies <u>study demand for home modifications</u> and identify funding needed to meet demand. <p><u>See also LD 6 .</u></p> | | | |
| 1145 | 1296 | 4/10 | 4/10 | Cooper | An Act To Improve the Law Authorizing Municipalities To Allow Low-income Seniors To Defer Payment of Municipal Property Taxes | <p>This bill lowers from 70 years of age to 65 years of age the age of eligibility for municipal property tax deferral programs for homesteads of low-income seniors and requires the State to reimburse municipalities for the taxes deferred. The State acquires a lien on the property for the amount of taxes deferred plus interest.</p> <p>SEE RELATED CHART</p> | ONTP | | |
| 1150 | 1296 | 3/28 | | Martin | An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access | <p>This bill excludes from current use valuation under the Maine Tree Growth Tax Law a parcel of land to which public access for recreational use is limited or prohibited.</p> | | | |
| 1156 | 1603 | 3/26 | 4/2 4/10 4/18 5/6 5/15 | Stewart | An Act To Create the Savings Account Program for Small Businesses | <p>This bill establishes the Savings Account Program for Small Businesses to be administered by FAME. Eligible small businesses must be certified by FAME if they:</p> <ol style="list-style-type: none"> 1. Are incorporated in Maine 2. Have 99 or fewer employees 3. Pay unemployment taxes 4. Are covered by Worker's Comp law. 5. Have a savings account at a financial institution to which total contributions in tax year do not exceed \$250,000, that any withdrawals are used for business purposes and that all funds are withdrawn within one year of dissolution of business. <p><u>Certified corporations are entitled to IT credit up to 100% of the amount contributed to the eligible savings account. Credit may not exceed \$250,000 per tax year.</u></p> <p><u>Amounts withdrawn from account by certified</u></p> | Carry over | <p>Preliminary fiscal impact MRS</p> <p>Fiscal impact: Potentially substantial</p> <p>Admin costs: FY 20 \$170,694 FY 21 \$104,600</p> | |

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|------|-----|-----|-----|-------------|--|--|-------------|----------------------------|-------|
| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>corporation are <u>added to taxable income.</u></p> <p>4/2 Tabled Sponsor working on amendment.with MRS and DECD <u>Technical issues</u></p> <p>4/10 Tabled till 4/18 for sponsor to work with DECD</p> <p><u>Needs application date.</u> MRS has language and technical concerns.</p> <p>4/18 Tabled for sponsor to work with MRS on <u>language; other issues</u></p> <p>5/6 Tabled for sponsor to work with MRS on language</p> | | | |
| 1158 | 769 | 5/1 | 5/9 | Talbot Ross | An Act To Provide Property Tax Relief | <p>This bill amends the property tax fairness credit under the income tax laws for tax years beginning on or after January 1, 2020 by changing the formula for calculation of benefits to reflect the calculation that applied under the Maine Residents Property Tax Program, referred to as "the circuitbreaker program," which was in effect prior to enactment of the property tax fairness credit.</p> <p>SEE SEPARATE CHART</p> | OTPA | | |
| 1164 | 242 | | | Pouliot | An Act To Improve the Educational Opportunity Tax Credit | <p>This bill <u>replaces the educational opportunity tax credit</u> tax years beginning on or after January 1, 2020, and <u>creates a new simplified tax credit</u> for qualified student loan repayment applicable to tax years beginning on or after January 1, 2020.</p> <p>1. A <u>qualified individual</u> must be:</p> <ul style="list-style-type: none"> A. a full-year Maine resident B. who has obtained an associate, bachelor's or graduate degree C. from an accredited Maine or non-Maine community college, college or university D. after 2007 and E. who works at least part time in Maine or on a vessel at sea or is deployed for military service in the United States Armed Forces during the taxable year. <p>2. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt</p> | | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>organizations, do not qualify for the credit.</p> <p>3. The credit is not refundable.</p> <p>4. The <u>credit for a qualified individual</u> is the lesser of</p> <p style="padding-left: 20px;">A. the amount paid on eligible education loans during the taxable year</p> <p style="padding-left: 20px;">and</p> <p style="padding-left: 20px;">B. 15% of the outstanding eligible education loan debt on the date the first education loan payment is made after a degree is earned.</p> <p>5. The <u>credit for employers</u> is the lesser of</p> <p style="padding-left: 20px;">A. the amount paid by an employer on behalf of a qualified employee during the taxable year during the term of employment</p> <p style="padding-left: 20px;">and</p> <p style="padding-left: 20px;">B. 20% of the outstanding eligible education loan debt on the date the first education loan payment is made after December 31, 2019.</p> <p>6. The credit is available to the <u>spouse</u> of an individual eligible for a credit even if the spouse is not employed.</p> <p>7. <u>Income tax deductions</u> are provided for</p> <p style="padding-left: 20px;">A. student loan <u>payments made directly to a lender by an employer</u> on behalf of a qualified employee and</p> <p style="padding-left: 20px;">B. payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a <u>nonprofit foundation and administered by the FAME</u> for residents of the State employed by a business located in the State.</p> <p>8. The annual credit <u>may include loan amounts paid in excess of the amount due</u> during a taxable year.</p> <p>9. The amendment also provides that credits in excess of those that may be used during a taxable year <u>may be carried over for the next succeeding 5 years</u>.</p> <p><u>This bill is the same as LD 1537, as amended in the 128th Legislature. Died on Appropriations Table.</u></p> | | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY19 | FY120 |
| 1172 | 1485 | 4/16 | 4/24 | Libby | An Act To Provide Direct Property Tax Relief to Homeowners by Increasing the Homestead Exemption | SEE SEPARATE CHART This bill increases the total exemption amount under the Maine resident <u>homestead property tax exemption</u> program from the current \$20,000 to <u>\$30,000</u> for the <u>property tax year beginning April 1, 2020</u> and to <u>\$40,000</u> for <u>property tax years beginning on or after April 1, 2021</u> . This bill also increases the <u>State reimbursement</u> rate for the revenue lost by a municipality due to the exemption from <u>62.5% to 75%</u> , for property tax years beginning on or after 4/1/20. | ONTP | | |
| 1191 | 2026 | 4/24 | 5/1 | Lawrence | An Act To Exempt Solar Energy Equipment from Property Tax | This bill provides a <u>property tax exemption</u> for: 1. solar energy equipment 2. installed on residential property 3. on or after September 1, 2019 4. to generate electricity or provide hot water to be used in a structure. | ONTP | Preliminary estimate MRS Rev impact FY 20 (\$40,000) FY21 (\$90,000) FY 22 (\$150,000) increasing Admin cost FY 20 \$40,000 FY 21 \$50,000 FY 22+ \$100,000 | |
| 1194 | 1550 | 4/23 | 4/30 | Jackson | An Act To Increase Property Tax Relief for Veterans | This bill <u>increases the basic veterans' property tax exemption</u> beginning on or after April 1, 2020 <u>from \$6,000 to \$10,000</u> . | OTPA | | |
| 1200 | 1066 | 3/26 | 4/2 | Pouliot | An Act To Amend the Maine Seed Capital Tax Credit Program | This bill amends the Maine Seed Capital Tax Credit Program by: 1. Reducing from 50% to 40% the maximum credit available to individual investors and private venture capital funds for investments made after April 1, 2019; 2. Requiring that eligible exporting businesses retain in Maine a majority of their employees; 3. Reducing from \$5,000,000 to \$3,500,000 the total aggregate investment eligible for tax credits for any one business; 4. Limiting to \$2,000,000 the total aggregate investment eligible for any one business in any calendar year; and | OTPA | | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | 5. Increasing from \$5,000,000 to \$15,000,000 the overall annual limit on total authorized credits. <u>See also LD 483 and related chart.</u> | | | |
| 1234 | 668 | 4/16 | 4/24 | Austin | An Act To Expand the value of the Homestead Exemption to \$25,000 and State Reimbursement to 100 Percent of Lost Property Tax Revenue | This bill increases for property tax years beginning April 1, 2020 the value of the homestead exemption benefit under the Maine resident <u>homestead property tax exemption from \$20,000 to \$25,000</u> and increases the state <u>reimbursement for the lost property tax revenue from 62.5% to 100%</u> . The bill also provides that the property tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. | table | Preliminary estimate MRS <u>Reimbursement cost:</u> FY 21 \$50 million Ongoing \$68 million/year | |
| 1238 | 810 | 4/24 | 5/1 | Hepler | An Act To Exempt Certain Print Publications from Sales Tax | This bill <u>expands the sales tax exemption for free publications</u> to also apply to <u>printed publications that are issued at least once every 7 days, on average.</u> <u>2013 repeal of exemption</u> for all publications (more frequently than quarterly) <u>estimated revenue impact</u> FY 13 \$2,617,060 FY 14 \$3,809,500 <u>MRS has concerns.</u> | OTPA/ ONTP | Preliminary estimate MRS Rev impact (\$1,500,000 to \$2,000,000) annually Admin cost absorbed | |
| 1242 | 1422 | | | Cloutier | An Act To Reinstigate the State Property Tax Deferral Program for Seniors | This bill reinstates the property tax deferral program for seniors which, until April 1, 1991, provided a mechanism allowing qualifying senior homeowners to defer property tax payments and required the State to pay the property taxes on behalf of the homeowners. The bill makes the existing abatement and appeal processes available in cases in which the State Tax Assessor disagrees with the municipal assessment of a property eligible for enrollment in the program and makes other technical changes to the program to bring it into conformity with current law. | LVWD | | |
| 1254 | 231 | 3/27 | 4/3 5/7 | Sylvester | An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding To Treat Opioid Use Disorder | This bill allows a municipality to impose a local option sales tax, which <u>may be seasonal</u> , on <u>prepared food</u> , not including marijuana or marijuana products, and <u>short-term lodging</u> of no more than 1% if approved by referendum of the voters in that municipality. Revenue from the local option sales tax is distributed 85% to the municipality and 15% to all other municipalities. The 15% distributed to a municipality must be used by that | ONTP/ OTPA | Preliminary estimate MRS MRS Admin costs still being researched. | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>municipality for the purposes of preventing and treating opioid use disorder in that municipality. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.</p> <p><u>See related chart (yellow)</u> <u>MRS concerns</u> <u>4/3 tabled for further consideration and AG's opinion</u></p> <p><u>AG's opinion:</u> 1. <u>Legislative authorization required for local option sales tax</u> 2. <u>Impact of Wayfair case cannot be determined at this time.</u></p> | | | |
| 1256 | 763 | 4/17 | 4/25 | Perry | An Act To Provide a Health Care Preceptor Tax Credit | <p>This bill establishes a <u>refundable tax credit</u> in the amount of \$500 per student, up to a maximum of \$1,500 <u>per year</u>, for a health care preceptor who <u>provides, without compensation, instruction to and supervision of advanced practice registered nursing students in an approved course of study.</u></p> <p>A <u>health care preceptor</u> may be a licensed physician, physician's assistant or advanced practice registered nurse.</p> <p>MRS indicates a process should be added for certifying eligible preceptors and number of students supervised.</p> | OTPA | Preliminary estimate MRS | Rev impact Not provided Admin cost absorbed |
| 1265 | 2047 | 5/6 | 5/14 | Pouliot | An Act To Establish a Maine Low-income Housing Tax Credit | <p><u>Same as LD 1461 in the 128th Legislature. Died between bodies.</u></p> <p>This bill creates a 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. | ONTP | Preliminary estimate MRS | Rev impact Under review Admin cost FY21 \$270,530 FY 22 \$219,173 |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>The <u>aggregate amount of credits allocated by MeSHA in each calendar year</u> may not exceed the total of <u>\$42 million</u> plus amounts not allocated in previous year plus amounts recaptured.</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>The state tax credit is for <u>6 years</u> and has a <u>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>Sponsor indicates preference for LD 1645.</u></p> <p><u>MRS has concerns</u></p> | | | |
| 1271 | 1524 | 4/23 | 4/30 | Jackson | An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax | This bill provides a <u>100%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> | ONTP | | |
| 1278 | 816 | 4/9 | 4/17 | Moore | RESOLUTION, Proposing an Amendment to the Constitution of Maine Requiring the State To Share Not Less Than 5 Percent of State Sales and Income Tax Revenue with Municipalities | For the purpose of reducing the burden placed on the property tax to finance municipal services, this resolution proposes an amendment to the Constitution of Maine to require that not less than 5% of state sales and income tax revenue be distributed to municipalities. | ontp | | |
| 1292 | 1395 | 4/17 | 4/25 | O'Connor | An Act To Lower Maine's Individual Income Tax | <p>This bill decreases over 3 years the rate of taxation imposed on individual income by:</p> <p>1. Decreasing the lowest rate from 5.8% to 5.2% for tax years 2020 and 2021 and to 5% beginning in 2022;</p> | ONTP/ OTPA | <p>Preliminary estimate MRS</p> <p>Rev impact \$((\$110 million rising To \$175 million)</p> <p>Admin cost absorbed</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>2. Decreasing the middle rate from 6.75% to 6.3% for tax years 2020 and 2021 and to 6% beginning in 2022; and</p> <p>3. Decreasing the highest rate from 7.15% to 7.05% for tax years 2020 and 2021 and to 7% beginning in 2022.</p> <p>MRS has technical concerns</p> | | | |
| 1305 | 1029 | 4/17 | 4/25 5/6 | Vitelli | An Act To Encourage Savings through Contributions to Family Development Accounts | <p>Reestablishes <u>income tax credit for contributions to a family development account (FDA) reserve fund</u> administered by a community development organization (CDO) approved by FAME that was repealed in 2015.</p> <p>The credit is the <u>lesser of:</u></p> <ol style="list-style-type: none"> 1. \$25,000 or 2. 50% of amount contributed. <p><u>Taxpayer may not also claim a charitable contribution.</u></p> <p><u>Total annual credits limited to \$200,000.</u></p> <p>FDA reserve fund is a fund created by an approved CDO to fund administrative costs of program and to provide matching funds for deposit in FDAs.</p> <p>FDA Account holder must have family income below 200% nonfarm poverty level.</p> <p>Account may be used for education, job training, home, vehicle necessary for work or education, emergency, start a small business for family member health care costs over \$500 not covered by public or private insurance.</p> <p>First \$10,000 of funds in the account may not be considered in determining eligibility for benefits under state law.</p> <p><u>NOTE: LD 1217 proposes to move administration of program from FAME to University of Maine program . Referred to IDEAB. PH 4/18</u></p> <p>Sponsor has submitted annual report of Advisory Committee on Family Development Accounts. (3/1/19)</p> | OTPA/ ONTP | <p>Preliminary estimate MRS</p> <p>Rev impact Less than (\$10,000yr)</p> <p>Admin cost</p> <p>FY 21 \$33,000</p> <p>FY 22 \$0</p> | |

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| | | | | | | | | FY19 | FY120 |
| 1322 | 1348 | 4/11 | 5/7 | Jorgensen | An Act To Provide Equitable Tax Treatment to State-licensed Marijuana Businesses | <p><u>Current law:</u> Allows IT deduction for business expenses of registered caregivers and registered dispensaries under the medical marijuana laws.</p> <p><u>This bill:</u> Expands the list of marijuana businesses that are eligible to take IT deductions otherwise allowed under the state income tax laws to include <u>adult use marijuana establishments and testing facilities</u> and <u>medical marijuana manufacturing facilities</u>. T</p> <p>This bill also corrects 2 lettering conflicts created when 2 separate public laws enacted new paragraphs with the same letter designations by reallocating the later enacted versions.</p> | OTPA | Preliminary estimate MRS Rev impact Under review Admin cost FY 21 \$209,388 FY 22 \$209,200 | |
| 1326 | 1009 | 4/23 | 4/30 | Keim | An Act To Expand Eligibility for the Veteran's Property Tax Exemption | <p><u>Expands eligibility for veterans' property tax exemption to persons who served in the Armed Forces of the United States during the period from February 1, 1955 to February 27, 1961 to qualify for the veterans' property tax exemption based on dates of service.</u></p> | ONTP | | |
| 1362 | 1952 | 4/11 | 4/18 5/15 | O'Neil | An Act To Fund Opioid Treatment by Establishing an Excise Tax on Manufacturers of Opioids | <p>This bill establishes an <u>excise tax</u> of 0.1¢ per morphine milligram equivalent assessed against <u>opioid drug manufacturers</u> for opioid drugs distributed in the State.</p> <p>Tax may not be passed on to consumer in the State.</p> <p>Revenue from the tax must be deposited in the Fund for a Healthy Maine and must be deposited in a new fund created by the bill and <u>used to support opioid use disorder prevention, treatment and recovery</u></p> <p><u>MRS has concerns</u> – needs more administrative detail.</p> <p><u>LD 1429 in HHS establishes a “fee” of 2¢ per morphine milligram equivalent on prescription opioid drugs distributed in the State.</u> Establishes fund for supporting opioid use disorder analysis, prevention and treatment. PH scheduled for 4/26.</p> <p><u>4/18 Work session.</u> Tabled for sponsor to work on amendment language and letter to AG.</p> | table | Preliminary estimate MRS Rev impact \$11,836,403 Annual Admin cost One time \$100,000 | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | Sponsor has been working on amendment. 5/15 Sponsor unavailable | | | |
| 1424 | 1684 | 4/17 | 4/25 | Bailey | An Act To Create an Access to Justice Income Tax Credit | <p>This bill provides an <u>income tax credit for 5 years for attorneys who practice law in the State and agree to practice for at least 5 years in an underserved area of the State as determined by the Supreme Judicial Court.</u> Eligibility for the credit is open from 2020 through 2025. <u>The court may certify up to 5 eligible attorneys each year.</u> The joint standing committee of the Legislature having jurisdiction over taxation matters is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.</p> <p>This bill is the <u>same as LD 1680 in the 128th Legislature,</u> reported unanimous OTPA by the TAX Committee and died on Appropriations Table. GF Revenue impact of LD 1680: FY 20 (\$23,750) FY 21 (\$52,250)</p> <p>MRS has technical concerns</p> | OYPA | <p>Preliminary estimate MRS</p> <p>Rev impact Not provided</p> <p>Admin cost absorbed</p> | |
| 1430 | 1414 | 4/24 | 5/1 5/15 | Tipping | An Act To Create Tax Equity among Renewable Energy Investments | <p>This bill:</p> <ol style="list-style-type: none"> 1. Provides that <u>certain property that is a renewable energy facility is eligible for BETE;</u> 2. Provides <u>PTE for renewable energy facilities installed for noncommercial purposes.</u> 3. <u>Directs MRS to provide guidance documents to assist municipalities with the assessment of renewable energy facilities</u> | Table | <p>Preliminary estimate MRS</p> <p>Rev impact Not available</p> <p>Admin cost \$90,000 to \$100,000 annually</p> | |
| 1443 | 2105 | 4/16 | 4/23 5/6 | Pickett | An Act To Enact the Senior Property Tax Reimbursement Act | <p>This bill provides <u>state reimbursement to eligible individuals for the portion of property taxes on their homesteads for a tax year that exceeds the property taxes for the year in which they reached retirement age as defined under the federal Social Security Act.</u></p> <p><u>Eligible individuals:</u></p> <ol style="list-style-type: none"> 1. Must be <u>receiving a homestead exemption,</u> 2. Have a household <u>income of less than \$40,000</u> | ONTP | No info | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | and, 3. Have <u>liquid assets of less than \$50,000 if filing single or, \$75,000 if filing jointly</u> <u>MRS has concerns</u> | | | |
| 1446 | 1658 | 4/24 | 5/1 | Fecteau | An Act To Remove Sales and Use Taxation on Gold and Silver Coins | This bill <u>exempts from the sales and use tax sales of specie</u> , which is defined as: 1. <u>coins with gold or silver content</u> or 2. <u>refined gold or silver bullion</u> coined, stamped or imprinted with its weight and purity the value of which is based primarily on its metal content and not its form. LD 664 in 2015 proposed STE for gold and silver coins (Unan. ONTP) LD 1007 in 2013 proposed STE for gold and silver coins . Divided report. ONTP report accepted in both bodies Est. rev. loss: FY 14 (\$356,250) FY 15 (\$496, 375) <u>MRS has concerns</u> | ONTP/ OTPA | Preliminary estimate MRS Rev impact (\$500,000)/year Admin cost absorbed | |
| 1448 | 2207 | 4/23 | 4/30 | Collings | An Act To Expand the Homestead Exemption for Disabled Veterans | This bill permits a veteran with a service-connected disability rated by the United States Department of Veterans Affairs to choose to receive a homestead exemption equal to: the <u>just value of the homestead</u> <u>multiplied by</u> the veteran's <u>disability rating percentage</u> instead of the current homestead exemption and exemptions for veterans and legally blind persons. This calculation of the homestead exemption replaces the current homestead exemption of \$20,000 and separate exemptions for veterans and legally blind persons. <u>State reimbursement is same as under current homestead exemption (62.5%)</u> | ONTP | | |
| 1452 | 449 | 4/17 | 4/25 | Tipping | An Act Regarding the Collection of the Sales and Use Tax by Marketplace Facilitators | This bill ensures that marketplace facilitators are subject to the same sales and use tax collection and remittance responsibilities as other sellers. | OTPA | Preliminary fiscal impact No info received at time of preparation | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>“Marketplace facilitator” means a person that contracts with sellers to facilitate for consideration, the sale of a seller’s products through a physical or electronic marketplace operated by the facilitator in ways further defined in the bill.</p> <p>MRS testified in support and indicated it would be bringing concerns to the committee.</p> <p>Retail Association of Maine (Picard) and Verizon (Lee) submitted proposed amending language</p> | | of this document | |
| 1491 | 743 | 5/2 | 5/9 | Terry | An Act To Establish the Maine Work Tax Credit | <p>This bill <u>replaces the Maine earned income credit</u> under the income tax <u>with the Maine work credit</u>. The Maine work credit is similar to the federal earned income tax credit but uses different factors for calculating the credit that are intended to produce:</p> <ol style="list-style-type: none"> 1. a state credit for <u>individuals with qualifying children</u> that is <u>approximately equal to 30% of the federal credit</u> and 2. for <u>individuals with no qualifying children</u> that is <u>approximately equal to 100% of the federal credit</u>. <p>The bill <u>also provides eligibility for individuals who are at least 18 years of age but less than 25 years of age who have no qualifying children and creates a minimum credit for students and eligible caregivers</u>. Childless prson 18-24 are not eligible for federal credit</p> <p>The bill also establishes a <u>working group to study</u> ways to streamline applications for tax credits intended to assist low to middle income taxpayers with the cost of basic necessities and to permit administration of those credits as advance consolidated payments.</p> <p><u>MRS has concerns.</u></p> <p><u>5/8 Tabled till next week to see if can come up with something with LD 104</u></p> | tabled | <p>Preliminary estimate MRS</p> <p>Rev impact (\$75,000,000 to \$90,000,000/yr)</p> <p>Admin cost Substantial – need clarification of provisions in bill</p> | |
| 1508 H-UB | 1236 | | | Sylvester | An Act To Respect the Will of Maine Voters by Funding Education at 55 Percent | <p>This bill restores provisions of Initiated Bill 2015, chapter 4. It establishes the Fund to Advance Public Kindergarten to Grade 12 Education for the purpose of improving the ability of the State to reach the annual target of 55%, as specified in statute, for the state share</p> | | | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | of the total cost of funding public education from kindergarten to grade 12 and for increasing direct support for student learning, but not for administrative costs. Revenue for the fund is generated by a 3% surcharge on Maine income tax over \$200,000, beginning with tax years beginning on or after January 1, 2020. | | | |
| 1520 | 1028 | 5/2 | 5/9 | Libby | An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses | <p>This bill supports employee-owned businesses and cooperatives in the following ways.</p> <ol style="list-style-type: none"> 1. It provides IT deduction up to a maximum of \$750,000 <u>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.</u> 2. It provides <u>income tax deduction for interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.</u> 3. It <u>requires DECD, Office of Business Development to encourage and assist employee-owned businesses</u> by requiring the office to: develop <u>educational programs</u>, including convening an <u>annual conference</u> on employee ownership issues; provide information about employee ownership and <u>technical assistance</u> to retiring business owners, employees of plants threatened with closure and entrepreneurs interested in creating businesses with broadly shared ownership; <u>link Maine businesses</u> interested in implementing employee ownership to available financial, technical and legal resources; and help businesses interested in implementing some form of employee ownership to obtain financing, as well as undertake other duties. 4. It requires the Commissioner of DECD to give <u>priority to employee-owned businesses</u>, either established or in the process of becoming employee-owned, <u>when providing loans or grants from funds or programs maintained by the department.</u> 5. It requires the following <u>reports</u>: <ol style="list-style-type: none"> A. <u>MRS</u> to collect data on use of tax deductions and report to OPEGA and the TAX Committee | tabled | <p>Preliminary estimate MRS</p> <p>Rev impact (\$150,000-\$175,000/yr)</p> <p>Admin cost FY20 \$0 FY 21 \$309,050 FY22 \$94,839</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>annually</p> <p>B. Requires <u>OPEGA</u> to evaluate the deductions and report to the GOC and TAX by 2/28/27</p> <p>C. <u>MEPERS</u> to conduct a study to determine how funds held by the system may be invested responsibly in employee-owned businesses in this State and to report its findings to the Joint IDEAB, which is authorized to report out a bill to based on the study and recommendations of the system</p> <p><u>MRS has concerns.</u></p> <p><u>5/9 Tabled for sponsor to work with interested parties on concerns</u></p> | | | |
| 1530 | 2181 | | | | An Act To Expand Incentives To Live and Work in Maine through a Tax Credit for Certain Student Loans | This bill provides an income tax credit of up to \$1,000 for individuals for certain student loan payments made during the tax year if the individuals were first employed in Maine on or after January 1, 2020. The credit is equal to the lesser of 50% of the loan payments actually made and 50% of income tax liability in the first year in which the credit is claimed declining to 10% of income tax liability in the 5th and final year in which the credit is claimed. The credit may not exceed 50% of the individual's outstanding student loan debt and may not be claimed if the individual claims the credit for educational opportunity. | | | |
| 1585 | 2460 | 5/2 | 5/9 | Pouliot | An Act To Allow the City of Augusta To Adjust the Definition of "Original Assessed Value" for the City of Augusta's Performance Food Group Municipal Tax Increment Financing District and To Validate the Assessment, Commitment and Collection of Property Taxes Dedicated for the District for the Fiscal Years 2018-19 and 2019-20 | <p>This bill authorizes the <u>City of Augusta</u> to:</p> <ol style="list-style-type: none"> <u>Adjust the definition of "original assessed value"</u> for the City of Augusta's Performance Food Group municipal TIF district and <u>Validate the assessment, commitment and collection of property taxes</u> dedicated for the Performance Food Group municipal TIF district for fiscal years 2018-19 and 2019-20. <u>Emergency bill</u> –effective when approved. <p>City indicated at PH that it did not submit TIF paperwork by the DECD deadline and purpose of the bill is to correct that oversight. <u>Bill legalizes actions that have been taken assuming that paperwork had been properly filed. DECD supports bill.</u></p> | <p>OTP A if fno</p> | <p>Preliminary estimate MRS</p> <p>Rev impact MRS</p> <p>Admin cost absorbed</p> | <p>No impact on</p> <p>MRS costs</p> |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY19 | FY120 |
| 1586 | 1147 | 5/2 | | Jackson | An Act To Promote Major Food Processing and Manufacturing Facility Expansion and To Create Jobs in Maine | <p>This bill, modeled on the tax credit for major business headquarters expansions, provides a tax credit to a food processing and manufacturing business that:</p> <ol style="list-style-type: none"> 1. Is, and has been for the 5 years prior to application, a corporation or limited liability company organized under the laws of the State; 2. Has been headquartered in this State for the 5 years prior to application; 3. Pays at least 75% of its employees a salary that exceeds the income threshold for the county in which the facility that is the subject of the application is located; 4. Agrees to make an investment of at least \$35,000,000 in the construction or expansion in this State of a facility for that business; and 5. Adds a total of 40 new full-time employees by the end of the first year of qualifying for the tax credit, maintains that number for the next 2 years and then adds 20 more full-time employees, maintaining a total of 60 full-time employees for each year after the 3rd year of qualifying for the tax credit. The employees added must be based in the State. <p>A business that qualifies is allowed a refundable tax credit equal to 2% of the amount of the qualified investment each tax year for 20 years.</p> <p>The total investment that may be approved</p> <ol style="list-style-type: none"> 1. for any one business may not exceed \$85,000,000 and 2. the total aggregate investment that may be approved is limited to \$100,000,000. 3. The maximum amount of tax credits that may be received by a business under one construction or expansion project is \$34,000,000. <p>Bill provides for "design evaluation" of credit by OPEGA but reporting date (2/28/24) is after the credit will have been in effect for 2 years. Intent is unclear???</p> <p>MRS has concerns</p> | | <p>Preliminary estimate MRS</p> <p><u>Rev impact</u> Maximum annual I(\$2,000,000)</p> <p><u>Admin cost</u> FY 21 \$33,000 for computer programming</p> | |
| 1597 | 2435 | 5/1 | 5/9 | Sampson | An Act To Provide a Sales Tax Exemption for Purchases Made by | This bill provides an ST exemption for purchases made by nonprofit organizations that operate seasonal | OTPA/ ONTP | Preliminary estimate MRS | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | Nonprofit Seasonal Camps | <p><u>campgrounds</u> in Maine.</p> <p>Amendment submitted by sponsor at work session to convert exemption to an exemption for nonprofit youth camps.</p> <p>Licensed by DHHS and entitled to a property tax exemption.</p> <p>Title 22 definition:</p> <p>16. Youth camp. "Youth camp" means a combination of program and facilities established for the primary purpose of providing an outdoor group living experience for children with social, recreational, spiritual and educational objectives and operated and used for 5 or more consecutive days during one or more seasons of the year. "Youth camp" includes day camps, residential camps and trip and travel camps. "Youth camp" does not include summer sports programs overseen by employees or volunteers of municipalities and educational institutions when the activities generally take place at municipal or institutional properties and buildings.</p> <p>MRS does NOT have concerns with proposed amendment.</p> | | <p>Rev impact (\$25,000 to \$75,000/yr)</p> <p>Admin cost FY 20 \$5,000</p> | |
| 1608 | 2243 | 5/2 | 5/9 | Miramant | An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax | <p>This bill provides an <u>ST exemption for trailers</u>, other than camper trailers, that are <u>purchased in the State by a nonresident and that are intended to be driven or transported outside the State immediately upon delivery.</u></p> <p>Under current law there is no ST required if the seller delivers the trailer to the buyer in another state.</p> <p>The separate exemption applies to camper trailers, other than those that are being leased for a period of less than one year.</p> <p>"Trailer" is defined as "...a vehicle without motive power and mounted on wheels that is designed to carry persons or property and to be drawn by a motor vehicle and not operated on tracks."</p> | OTPA fno | <p>Preliminary estimate MRS</p> <p>Rev impact (\$150,000/yr)</p> <p>Admin cost MRS costs absorbed</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | NO MRS concerns | | | |
| 1643 | 2430 | 5/6 | 5/14 | Tipping | An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2019-20 | <p>This bill establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality.</p> <p>The municipal cost components constitute the basis for property tax for the unorganized territory.</p> | OTPA fno | <p>Preliminary estimate MRS</p> <p>Rev impact No impact on State</p> <p>Admin cost MRS costs absorbed</p> | |
| 1645 | 1760 | 5/6 | 5/14 | Fecteau | An Act To Create Affordable Workforce and Senior Housing and Preserve Affordable Rural Housing | <p>This bill creates a refundable income tax credit allocated by MSHA for affordable housing project.</p> <p>Credit is equal to</p> <ol style="list-style-type: none"> 1. 100% of federal credit for qualified Maine project or 2. 50% of \$100,000 or more of qualified basis of an affordable housing project for which a federal credit is not claimed up to \$500,000. <p>MSHA may allocate up to \$20,000,000 in credits each year 2021-24.</p> <p>The tax credit is administered by the Maine State Housing Authority, which will allocate the state credit through a process similar to its current allocation of federal housing tax credits.</p> <ol style="list-style-type: none"> 1. 10% of the credit must be set aside for the preservation of affordable housing units that are constructed with financial assistance from the United States Department of Agriculture, Office of Rural Development, Rural Housing Service and at risk of losing their affordable status. 2. 30% of the credit allocated to new housing units is targeted for seniors and 3. 20% is targeted for rural areas. <p>Recapture of credits required if project does not remain qualified.</p> <p>The credit is subject to reporting requirements and a process for tax expenditure review by OPEGA and requires OPEGA report to TAX by 2/1/24.</p> <p>MSHA submitted amendment in PH testimony to facilitate rulemaking.</p> | tabled | <p>Preliminary estimate MRS</p> <p>Rev impact Under review</p> <p>Admin cost FY 22 \$282,881 FY 23 \$225,948</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>MRS has concerns.</p> <p><u>5/14 tabled for MSHA and MRS to consolidate solutions to concerns.</u></p> | | | |
| 1647 | 2135 | 5/6 | 5/14 | Berry | An Act To Provide Tax Fairness to Maine's Middle Class and Working Families | <p>This bill, for tax years beginning on or after January 1, 2020, <u>requires payment of a tax equalization assessment for a tax family that:</u></p> <ol style="list-style-type: none"> 1. has individual effective tax rate that is less than the average effective tax rate on state and local taxes paid by the bottom 99% of tax families and 2. an expanded income of at least: <ol style="list-style-type: none"> A. \$250,000 for a tax family filing as a single individual, B. \$325,000 for a tax family filing as a head of a household or C. \$400,000 for a tax family filing a married joint return or filing a joint return as a surviving spouse, <p><u>The tax equalization assessment is an amount equal to the difference in the average effective tax rate on state and local taxes paid, calculated by decile, and a tax family's individual effective tax rate on state and local taxes paid,</u></p> <p style="text-align: center;"><u>multiplied by</u> <u>a tax family's expanded income.</u></p> <p>This bill also, for property tax years beginning on or after April 1, 2020, <u>increases the total amount of the Maine resident homestead property tax exemption to \$25,000 of the just value of the homestead.</u></p> <p>This bill <u>increases the earned income tax credit</u> from 5% of the federal earned income tax credit to 10% of the federal earned income tax credit</p> <p>This bill also reduces <u>the threshold amount for property tax as a % of income from 6% to 5% to qualify for the property tax fairness credit.</u></p> | Carry over | <p>Preliminary estimate MRS</p> <p>Rev impact Under review</p> <p>Admin cost TBD need clarifications</p> | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p><u>MRS has concerns</u></p> <p>5/14 Voted OTPA/ONTP</p> <p>5/15 Reconsidered – voted carryover</p> | | | |
| 1652 | 2375 | 5/6 | 5/14 | Tipping | An Act To Make Technical Changes to the Taxation of Marijuana | <p>This bill is submitted by DAFS. This bill does the following.</p> <p>Part A:</p> <ol style="list-style-type: none"> 1. Authorizes DAFS to deny, suspend or revoke an adult use marijuana establishment license for failure to cooperate with MRS in the payment of a final tax liability; 2. Aligns the record-keeping requirements imposed by the Maine Revised Statutes, Title 28-B with those of Title 36 by extending the record-keeping period in Title 28-B from 3 tax years to 6 tax years; 3. Excludes foods containing marijuana and marijuana products from the category of tax-exempt grocery staples; and 4. Imposes the 10% tax rate on adult use marijuana and marijuana products sold by marijuana establishments on all marijuana and marijuana products sold by any person to an individual who is not a qualifying patient. <p>Part B moves the adult use marijuana excise tax from Title 28-B to Title 36. In addition, Part B:</p> <ol style="list-style-type: none"> 1. Requires that applicants for an adult use marijuana license, except a testing facility license, register with the State Tax Assessor to collect and remit sales tax, as is currently required by Title 36, as a condition for obtaining the license; 2. Requires cultivation facilities to register with the State Tax Assessor to collect and remit the adult use marijuana excise tax as a condition for receiving a cultivation facility license; imposes penalties on cultivation facilities that sell marijuana without registering with the State Tax Assessor; and allows for the suspension and revocation of the registration for failure to comply with the adult use marijuana | OTPA fno | No info. DAFS bill | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>excise tax laws;</p> <p>3. Clarifies that the adult use marijuana excise tax is imposed when a person holding both a cultivation facility license and either a marijuana store license or products manufacturing facility license transfers marijuana from the cultivation facility to either the marijuana store or products manufacturing facility or otherwise undertakes an activity with the marijuana pursuant to the marijuana store license or products manufacturing facility license; and</p> <p>4. Moves the adult use excise tax due date from the last day of the month to the 15th day of the month to coincide with the sales tax due date.</p> <p><u>MRS does NOT have concerns</u></p> | | | |
| 1671 | 642 | | | Tiping | An Act To Amend the Laws Governing the Maine Capital Investment Credit To Ensure Fairness for Maine Businesses | This bill is a concept draft that proposes to amend the Maine capital investment credit to ensure that Maine businesses benefit to the same extent as out-of-state businesses. | | | |
| 1698 | 1741 | | | Fecteau | An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts | <p>This bill provides a tax credit for the production of renewable chemicals by the conversion of renewable biomass from the forest, farms, the sea or solid waste.</p> <p>The credit is equal to</p> <ol style="list-style-type: none"> 1. 7¢ per pound of renewable chemical produced in the State, 2. 9¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to DECD that the <u>contractors</u> hired or retained by a landowner to harvest renewable biomass used in production of the renewable chemicals are <ol style="list-style-type: none"> A. <u>3rd-party certified</u> by the Northeast Master Logger program or successor program and B. at least <u>50% of the contractors' employees are residents of the United States</u> or 3. 12¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to DECD that the <u>contractors</u> hired or retained by a landowner to harvest renewable biomass used in such production are <ol style="list-style-type: none"> A. <u>3rd-party certified</u> by the Northeast Master | | | |

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| | | | | | | | | FY19 | FY120 |
| | | | | | | <p>Logger program and</p> <p>B. <u>at least 75% of the contractors' employees are residents of the United States.</u></p> <p>The bill also <u>reactivates the tax credit for commercial production and use of biofuels</u> which has not accepted new entry since 2015. (Taxpayer engaged in production of biofuels eligible for credit of 5¢/gallon. "Biofuel" means any commercially produces liquid or gas used to propel motor vehicles or otherwise substitute for liquid or gaseous fuels that is derived agricultural crops or residues or from forest products or byproducts.)</p> | | | |
| 1713 | 2496 | | | Gideon | An Act To Return Funds to Maine Property Tax Payers | <p><u>Current law:</u></p> <p>The <u>Tax Relief Fund</u> for Maine Residents, is funded by the transfer of 20% of the unappropriated surplus of the General Fund after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made, was established <u>to provide income tax relief</u> by reducing income tax rates once a certain level of funds in the fund is reached; to date, the required level of funding to provide income tax relief has not been reached.</p> <p><u>This bill renames the fund the Property Tax Relief Fund for Maine Residents and requires it to be used to provide property tax relief payments directly to residents of this State whose residence qualifies for HTE.</u> The amount of the tax relief payment is determined annually by dividing the total amount of funds available in the Property Tax Relief Fund for Maine Residents by the total number of homesteads that qualify for the Maine homestead property tax exemption. If that amount is at least \$100, the Treasurer of State is required, by December 1st, to mail checks for the tax relief payment to each owner of a qualifying homestead.</p> | | | |
| 1718 | 2505 | | | Herbig | An Act To Exempt Purchases by Pet Food Pantries from Sales Tax | <p>This bill provides an exemption from the sales and use tax for purchases made by nonprofit organizations that provide pet food and supplies for little or no charge to low-income owners of pets.</p> | | | |

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| | | | | | | | | FY19 | FY120 |
| 1739 | 2374 | | | Tipping | 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. | | | |
| 1744 | 2373 | | | Tipping | An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes | 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, as amended through December 31, 2018, for tax years beginning on or after January 1, 2018 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. | | | |

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