

State of Maine
Changes to 2019 Tax Expenditure Classifications by Rationale and Legislative Review Category

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY19 Revenue Loss Estimate*	FY21 Revenue Loss Estimate*	OPEGA Notes
12	Business Incentive	C	Income	Credit	Super Credit for Substantially-Increased Research & Development	Additional tax credit for taxpayers qualifying for the Research Expense Tax Credit (#6) with expenses beyond what is covered under that credit, with certain limitations. Beginning in tax year 2014, except for carry forward amounts this is no longer an active tax credit. Allowable carry forward period is 10 years.	\$1,057,000	No estimate	This credit is no longer allowed after 2014, but not repealed. No MSTER estimate for carry forwards. Remove from list?
14	Business Incentive - Targeted Industry	C -> A	Income	Deduction	Deduction for Contributions to Capital Construction Funds for maintenance or replacement of fishing vessels	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	\$430,000	\$410,000	Prior estimates were less than \$49,999. Promote to Category A?
17	Non-Business Incentive - Health & Safety	A -> C	Income	Credit	Credit for Wellness Programs	Tax credit to employers with 20 or fewer employees for expenditures on wellness programs up to \$2,000.	\$15,000	\$14,000	NEW ESTIMATES ARE MUCH LOWER in 2019 MSTER. Move to Category C?
26	Tax Relief - Individuals	A -> C	Income	Credit	Credit for Modifications to Make Homes Accessible	Tax credit to individuals for a portion of the cost incurred in modifying a home to make it accessible for a person with a disability or physical hardship. Effective for tax years beginning on or after January 1, 2017.	\$11,000	\$21,000	Created in 2016 with a statute conflict. Assigned a new citation last session. MUCH LOWER COST ESTIMATE IN 2019 MSTER. Move to Category C?
28	Tax Relief - Individuals	A -> C	Income	Credit	Adult Dependent Care Credit	Tax credit to individuals for a portion of adult dependent care expenses paid including expenses for adult day care, hospice services or respite care.	\$16,000	\$15,000	MUCH LOWER COST ESTIMATE IN 2019 MSTER. Move to Category C?
43	Charitable	B -> C	Sales & Use	Exemption	Sales of Certain Qualified Snowmobile Trail Grooming Equipment	Tax exemption on sales of snowmobile trail grooming equipment to incorporated snowmobile clubs.	\$30,000	\$37,000	Substantially smaller estimate of expenditure. Move to Category C? Currently Scheduled for EXP 2024.
46	Charitable	B -> C	Sales & Use	Exemption	Meals for Residents of Certain Nonprofit Congregate Housing Facilities	Tax exemption on sales of meals to residents of nonprofit church-affiliated congregating housing facilities for the lower-income elderly.	\$0 - \$49,999	\$0 - \$49,999	This was reviewed last year but had lower estimates than previous years. Move to Category C?
90	Charitable	C -> B	Sales & Use	Exemption	Adaptive Equipment for Vehicles of Persons with Disabilities	Tax exemption on sales of adaptive equipment used to make a motor vehicle operable or accessible by a person with a disability.	\$80,000	\$81,000	Increased above \$75K in 2019 MSTER. Move to Category B? Insert into 2019 EXP Schedule
91	Charitable	C -> B	Sales & Use	Exemption	Certain Sales by Civic, Religious or Fraternal Organizations	Sales of prepared food by a civic, religious or fraternal organization at a public or member-only event, except when alcoholic beverages are available for sale at the event.	\$2,000,000	\$2,163,200	Enacted in 2017; New MSTER estimate. Promote to Category B? Add to EXP 2024 Schedule.
163	Non-Taxable Services	B	Sales & Use	Exemption	Repair, Maintenance and Other Labor Service Fees	Tax exemption on price of labor or services used in installing, applying or repairing property, if separately charged or stated.	\$45,657,000		no longer appears in MSTER; Remove from List?
164	Administrative Burden	C	Sales & Use	Exemption	Exemption for Single-use Carry-out Bag	Sales tax exemption on the amount charged for a paper or plastic single-use carry out bag.	\$33,915		no longer appears in MSTER; Remove from List?
169	Administrative Burden	C	Sales & Use	Exemption	Sales tax exemption for Paint Stewardship Program fee	Exempts from sales and use tax the fee imposed to fund the paint stewardship program. Effective December 1, 2018.	\$0	\$72,000	Add - New
170	Charitable	C	Sales & Use	Exemption	Sales tax exemption for nonprofit heating assistance organizations	Exempts from sales and use tax organizations that have been determined by the US IRS to be exempt from taxation under §501(c)(3) of the federal Internal Revenue Code of 1986 and whose primary purpose is to provide residential heating assistance to low-income individuals. Effective October 1, 2018.	\$0	\$475	Add - New

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171	Business Incentive	C	Income	Credit	Shipbuilding Facility Credit	Creates a nonrefundable income tax credit for 15 years (from tax years beginning on or after January 1, 2020) for major investments in a shipbuilding facility when criteria are met. Requires the credit to be reviewed by 2024 by OPEGA.	\$0	\$2,850,000	Add - New
172	Non-Business Incentive - Health & Safety	A	Income	Credit	Employer credit for family and medical leave	Creates a tax credit (for tax years beginning in 2018 and 2019) under the income tax and insurance premium tax equal to the federal credit for employer-paid family and medical leave. The credit is nonrefundable.	\$2,450,000	\$1,700,000	Add - New
173	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Property Used in Interstate Commerce	Tax exemption on sales of a vehicle, railroad car, aircraft or watercraft used in interstate or foreign commerce, subject to certain restrictions.	\$1,000,000 - \$2,999,999	\$1,000,000 - \$2,999,999	Add - New
174	Charitable	C	Sales & Use	Exemption	Sales tax exemption for certain nonprofit organizations supporting veterans	Exempts from sales and use tax the service provider tax for incorporated nonprofit organizations organized for the primary purpose of operating a retreat in the State for combat-injured veterans and their families free of charge. Effective October 1, 2018.		\$2,600	Add - New
175	Tax Fairness	C	Income	Credit	Dependent exemption tax credit	Creates a tax credit equal to \$300 for each qualifying child and dependent for whom the federal child tax credit was claimed for the same taxable year. The credit is nonrefundable. Applicable to tax years beginning on or after January 1, 2018.		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed
176	Conformity with IRC	B	Income	Deduction	Net operating loss subtraction modification	Creates a modification that reserves, for Maine tax purposes, the effects of the new federal limitation on the net operating loss deduction. Applicable for tax years beginning on or after January 1, 2018.		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed
177	Conformity with IRC	B	Income	Deduction	Global intangible low-taxed income subtraction modification	Creates a modification in the amount of the global intangible low-taxed income deduction claiming in accordance with federal code. Applicable for tax years beginning on or after January 1, 2018		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed
178	Charitable	C	Sales & Use	Exemption	Cellular or wireless services supported by Federal universal support funds	Telephone services available to income-eligible Maine consumers and supported by federal universal service support funds are not subject to the service provider tax. Effective January 1, 2019.		no estimate in MSTER	No estimate in Current MSTER - Further Research Needed

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179	Tax Relief	C	Income	Exemption	Military annuity payments made to survivor	To the extent included in Federal AGI, annuity payments made to the survivor of a deceased member of the military who died as a result of service in active or reserve components of the United States Army, Navy, Air Force, Marines or Coast Guard under a survivor benefit plan or reserve component survivor benefit plan pursuant to 10 U.S. Code Chapter 73 are exempt from Maine income tax.		\$0 - \$50,000	Add - Missed in prior MSTERs as per MRS
180	Tax Relief	C	Income	Exemption	Family development account proceeds	Individuals whose family income is below 200% of the poverty level may open a family development account in connection with an approved community development organization. Account balances and withdrawals are exempt from Maine individual income tax to the extent included in Federal AGI.		\$0 - \$10,000	Add - Missed in prior MSTERs as per MRS
181	Tax Relief	C	Income	Exemption	Municipal property tax benefits for senior citizens	A municipality by ordinance, may adopt a program that permits claimants who are at least 60 years of age to earn benefits up to a maximum \$750 by volunteering to provide services to the municipality. The amount of benefits received during the tax year are exempt from Maine individual income tax.		\$0 - \$10,000	Add - Missed in prior MSTERs as per MRS
182	Tax Relief	C	Income	Deduction	Deduction for gain on sales of eligible timberlands	A subtraction modification is allowed on the Maine individual income tax return equal to the applicable percentage of the gain from the sale of sustainably managed, eligible timberlands that is included in Federal AGI.		\$20,000 - \$100,000	Add - Missed in prior MSTERs as per MRS

Sources: FY19 & 21 Revenue Loss estimates: Maine State Tax Expenditures Report 2020-2021. All other information: OPEGA analysis of Maine Revenue Services information and Maine Revised Statutes.