

STATE OF MAINE
129TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

August 2019

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LD 6 An Act To Amend the Laws Governing the Home Accessibility Tax Credit ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D LIBBY N	ONTP	

This bill provides that the income tax credit for homestead modifications to improve accessibility for an individual with a disability or physical hardship is refundable if the individual is 65 years of age or older and the individual's Maine adjusted gross income is equal to or less than 138% of the federal poverty level.

See also LD 1131.

LD 22 An Act To Exempt from Taxation Sales to Small Nonprofit Organizations ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAVEN M	ONTP	

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.

LD 35 An Act To Exempt All Disabled Veterans in Maine from All Income Tax and To Increase Their Homestead Exemption to \$50,000 ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'CONNOR B FOLEY R	ONTP	

This bill increases the homestead exemption 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 provides an income tax deduction for all income of those individuals.

See also LDs 77, 164, 837, 1172, 1234 and 1448 for homestead exemption bills. Part H of the biennial budget, PL 2019, c. 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 163, 1042, 1194, 1271 and 1326 for veterans' property tax exemption bills.

LD 43 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 ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R	ONTP	

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This resolution proposes to amend the Constitution of Maine to dedicate all sales tax revenue from sales of motor vehicles and sales related to motor vehicles to the Highway Fund for roads and bridge capital improvements.

LD 62 An Act To Enhance the Senior Volunteer Benefit Program

PUBLIC 36

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D CHENETTE J	OTP OTP-AM	

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.

Committee Amendment "A" (H-33)

This amendment, which is the minority report, removes from the bill a provision that requires a maximum payment under the senior volunteer benefit program of 100 times the state minimum hourly wage if that amount is greater than \$1,000.

This amendment was not adopted.

Enacted Law Summary

Public Law 2019, chapter 36 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.

**LD 65 An Act To Allow Municipalities To Impose a Seasonal or Year-round
Local Option Sales Tax**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BEEBE-CENTER P CHIPMAN B	ONTP	

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 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 after deducting state administrative costs. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.

See also LDs 156, 609, 1110 and 1254.

**LD 70 An Act To Support the Trades through a Tax Credit for Apprenticeship
Programs**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E TIPPING R	OTP-AM	S-10

This bill permits an employer who employs an apprentice participating in an approved apprenticeship program to receive an income tax credit and provides for a partial credit if the employer employs a participating apprentice for

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fewer than 2,000 hours during a calendar year.

Committee Amendment "A" (S-10)

This amendment adds appropriations for one-time funding for computer programming and for two positions in the Department of Labor to implement the tax credit for apprenticeship programs provided in the bill.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 71 An Act To Reinstate the Income Tax Deduction for Contributions to College Savings Accounts CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERIN S	OTP-AM	S-5

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.

Committee Amendment "A" (S-5)

This amendment increases from \$250 to \$1,000 the maximum allowable contribution that may be deducted when calculating income tax. The amendment also adds an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 72 An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DILL J TIPPING R	OTP-AM	S-31

This bill provides an income tax deduction 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.

Committee Amendment "A" (S-31)

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 73 An Act To Provide an Income Tax Deduction for Certain Student Loan Payments Made Directly to a Lender on Behalf of a Taxpayer CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-219

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This bill provides an income tax credit for certain student loan repayments made by the Finance Authority of Maine or an entity managed or administered by the Finance Authority of Maine. The credit is equal to the amount an individual is required to include in federal adjusted gross income as the result of student loan payments made directly to the individual's student loan lender by the Finance Authority of Maine, or an entity managed or administered by the Finance Authority of Maine, for residents of the State employed by a business located in the State multiplied by the individual's highest federal marginal income tax rate.

Committee Amendment "A" (S-219)

This amendment strikes the the bill and replaces the title. The amendment provides an income tax deduction for student loan payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State. The amendment also adds an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

**LD 77 An Act To Increase the Homestead Property Tax Exemption to \$50,000 ONTP
for Persons 75 Years of Age and Older**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'CONNOR B	ONTP	

This bill increases the 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.

Part H of the biennial budget, PL 2019, c. 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 35, 164, 837, 1172, 1234 and 1448.

**LD 85 An Act To Establish a Sales Tax Exemption for the Purchase of Firearm CARRIED OVER
Safety Devices**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COREY P DIAMOND B	OTP-AM	H-59

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.

Committee Amendment "A" (H-59)

This amendment strikes the bill and instead establishes a sales tax exemption for a safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

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LD 86 An Act To Provide That Persons Who Produce Maple Syrup and Honey Commercially Are Eligible for the Sales Tax Refund and Exemption for Commercial Agricultural Production

**PUBLIC 7
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KINNEY M BLACK R	OTP	

This bill expands the sales tax refund and exemption for commercial agricultural production to include the commercial production of maple syrup and honey.

Enacted Law Summary

Public Law 2019, chapter 7 expands the sales tax refund and exemption for commercial agricultural production to include the commercial production of maple syrup and honey.

Public Law 2019, chapter 7 was enacted as an emergency measure effective March 25, 2019.

LD 104 An Act To Replace the Earned Income Tax Credit with the Maine Work Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VITELLI E TEPLER D	OTP-AM OTP-AM	S-297

This bill expands the earned income tax credit by increasing the credit from 5% to 15% of the federal earned income tax credit and extending the credit to persons from 18 to 24 years of age who have no qualifying child. This bill also requires the Department of Labor, Bureau of Labor Standards to provide a poster or notice to employers that states that employees may be eligible for the earned income tax credit. This bill requires employers to post the poster or notice in a place that is accessible to the employers' employees.

Committee Amendment "A" (S-297)

This amendment, which is the majority report, replaces the provisions of the bill amending the earned income tax credit with the Maine work credit. 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 a state credit for individuals with qualifying children that is approximately 23% of the federal credit and for individuals with no qualifying children that is approximately 70% of the federal credit. The bill 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.

The amendment also adds an appropriations and allocations section.

Committee Amendment "B" (S-298)

This amendment, which is the minority report, expands the earned income tax credit by increasing the credit from 5% of the federal earned income tax credit to 60% for individuals with no qualifying children and 15% of the federal earned income tax credit for all other eligible individuals for tax years beginning in 2020 and increasing each year until it reaches 23% for tax years beginning in 2023 and after.

This amendment also adds an appropriations and allocations section.

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This amendment was not adopted.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

See also LD 1491.

LD 107 *An Act To Lower the Maine Individual Income Tax Incrementally to Zero* ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HANLEY J CYRWAY S	ONTP	

This bill provides for the phase-out of the individual income tax by reducing income taxes calculated using current law by 25% for tax years beginning on or after January 1, 2020 and requiring additional reductions when General Fund revenue exceeds the amount received in the fiscal year preceding the previous reduction in taxes.

LD 118 *An Act To Direct Vehicle Excise Tax Revenue for Local Transportation Infrastructure* ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R	ONTP	

This bill provides that revenue received by a municipality from the motor vehicle excise tax must be used for maintenance or improvement of transportation infrastructure within that municipality.

See also LDs 119 and 1031.

LD 119 *An Act To Base the Motor Vehicle Excise Tax on the Sale Price* ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R	ONTP	

This bill changes the method of computing the motor vehicle excise tax by requiring that the excise tax for all motor vehicles and camper trailers be based upon the purchase price of the vehicle rather than the maker's list price required under current law. Either the original bill of sale or the state sales tax document may be used to verify the purchase price. The bill also requires the State to reimburse a municipality for the difference in the amount of excise tax that would have been collected by the municipality using the maker's list price and amount collected using the actual purchase price.

See also LD 1031.

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LD 124 An Act To Exempt from Sales Tax Certain Watercraft Purchased by an Incorporated Nonprofit Transportation Company That Provides Transportation of Emergency Medical Services Patients from an Island to the Mainland Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J BREEN C	OTP-AM	H-383

This bill provides a sales tax exemption for sales of watercraft that will be used to provide ambulance services and sales of ambulance supplies to an incorporated nonprofit transportation company that provides ambulance services from an island not served by a bridge to the mainland pursuant to a written agreement with a municipality to provide ambulance services without charge. An incorporated nonprofit transportation company providing ambulance services using watercraft certified and inspected by the United States Coast Guard is not required to be licensed as an ambulance service in order to be eligible for the exemption.

Committee Amendment "A" (H-383)

This amendment changes the title of the bill and provides that the sales tax exemption applies to sales of watercraft to an incorporated nonprofit transportation company that has a written understanding with a municipality that the watercraft will be available at all times to transport an emergency medical services patient from an island to a licensed ambulance service on the mainland.

This bill died on the Special Appropriations Table at the end of the First Regular Session.

This bill, as amended by Committee Amendment "A," was included in the biennial budget bill, PL 2019, chapter 343, Part YYYY.

LD 133 An Act To Fully Restore State-Municipal Revenue Sharing for Fiscal Year 2018-19 CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EVANGELOS J MIRAMANT D		

This bill restores state-municipal revenue sharing to 5% from 2% for the entire fiscal year 2018-19.

Part H of the biennial budget, PL 2019, chapter 343, sets state municipal revenue sharing at 3% of the revenue sharing base in fiscal year 2019-20 and 3.75% of the revenue sharing base in fiscal year 2020-21.

See also LDs 193, 444 and 1278.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

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LD 146 An Act To Make the Assessment and Collection of Personal Property Taxes Optional for Municipalities ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R	ONTP	

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.

See also LD 824.

LD 156 An Act To Allow Regional Service Center Municipalities To Assess an Additional One Percent Sales Tax for Infrastructure Costs ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D	ONTP	

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.

See also LDs 65, 609, 1110 and 1254.

LD 162 An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BELLOWS S DOORE D		

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 result in reductions in the amount of Social Security benefits that a retiree is eligible to receive under the federal windfall elimination provision. This bill provides a state income tax exemption for those retirement benefits.

See also LDs 276 and 1019.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 163 An Act Regarding Property Tax Relief for Veterans CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FARRIN B HANINGTON S		

This bill provides enhanced property tax exemptions for certain veterans. A veteran regardless of age becomes eligible for a \$25,000 exemption if the veteran has served at least 90 days of active service and has served in a

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combat zone. A veteran with a service-connected disability becomes eligible for a \$50,000 exemption if the disability is rated 50% to 90% and a \$100,000 exemption if the disability is rated 100%. 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. A municipality is reimbursed for the constitutionally mandated 50% of the property tax revenue loss as a result of the enhanced exemption.

See also LDs 1042, 1194, 1271 and 1326.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 164 An Act To Reduce Property Taxes for Maine Residents

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M PIERCE T	OTP-AM	S-231

This bill increases the total exemption under the Maine resident homestead property tax exemption program to \$50,000 for property tax years beginning on or after April 1, 2020. This bill also increases state reimbursement to municipalities for homestead property tax exemptions from 62.5% to 100% for property tax years beginning on or after April 1, 2020.

Committee Amendment "A" (S-231)

This amendment increases the homestead property tax exemption to \$30,000 instead of \$50,000 as in the bill and requires municipalities to include a statement on tax bills regarding the availability of the homestead tax exemption and providing information on how to apply. The amendment also adds an appropriations and allocations section.

Part H of the biennial budget, PL 2019, c. 343 increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 35, 77, 837, 1172, 1234 and 1448.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 193 An Act To Fully Fund and Restore State-Municipal Revenue Sharing

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARNETT T	OTP-AM OTP-AM	H-260 S-174 CHIPMAN B

This bill restores state-municipal revenue sharing to 5% from 2% on January 1, 2019, six months earlier than currently provided in law.

Committee Amendment "A" (H-260)

This amendment, which is the majority report of the committee, incorporates a fiscal note.

Committee Amendment "B" (H-261)

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This amendment, which is the minority report of the committee, provides that the state-municipal revenue sharing percentage is 2.5% for fiscal year 2019-20 and 3% for fiscal year 2020-21 and returns to 5% in fiscal year 2021-22.

This amendment was not adopted.

Senate Amendment "A" (S-174)

This amendment removes the emergency preamble and emergency clause.

See also LDs 133, 444 and 1278.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 241	An Act To Adjust the Personal Property Tax Exemption for Farm Machinery	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M CARPENTER M	OTP-AM	H-335

This bill increases the amount of the exemption from personal property taxation for farm machinery from \$10,000 to \$45,000.

Committee Amendment "A" (H-335)

This amendment provides a time frame for implementation of the increase in the property tax exemption for farm machinery, provides administrative provisions for the Bureau of Revenue Services to enforce the exemption and verify required state reimbursement amounts and requires the State to reimburse municipalities for 100% of property taxes lost as a result of the increase in the exemption. This amendment also includes an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 268	An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States	HELD BY GOVERNOR
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T TIPPING R	OTP-AM	S-218 S-277 JACKSON T

This bill provides a credit against the commercial forestry excise tax for landowners who are based in the United States and who employ and retain businesses or contractors that are based in the United States, that employ at least 75% United States residents and that are current in the payment of all state and local taxes. The bill also requires recapture of the credit if a recipient is found to have been ineligible.

Committee Amendment "A" (S-218)

This amendment requires a landowner seeking the credit against the commercial forestry excise tax to obtain affidavits indicating that businesses or contractors retained by the landowner are based in the United States, that at least 75% of their employees are United States residents and that they are current in the payment of all state and

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local taxes. It makes other technical changes to the bill.

Senate Amendment "A" To Committee Amendment "A" (S-277)

This amendment changes the starting date for the credit to tax years based on the status of property on or after April 1, 2022 and changes the percentage of employees who must be residents of the United States from 75% to 90% for the first two years of the credit.

LD 276 An Act To Provide Equity in the State Income Tax Deduction for Maine ONTP Public Employees Retirement System Pensions

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D MCCREIGHT J	ONTP	

This bill provides an income tax deduction for 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.

See also LD 162.

LD 286 An Act To Provide a Sales Tax Exemption for Menstrual Products CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D BREEN C	OTP-AM	H-58

This bill provides a sales tax exemption on the purchase of feminine hygiene products.

Committee Amendment "A" (H-58)

This amendment changes the term used to describe the products subject to exemption and changes the definition to that in the model Streamlined Sales and Use Tax Agreement to simplify multistate administration.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 335 An Act To Require the State To Distribute 12 Percent of Adult Use CARRIED OVER Marijuana Retail Sales and Excise Tax Revenue to Generating Municipalities

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WARREN C DESCHAMBAULT S	OTP-AM ONTP	H-484 S-287 SANBORN H

This bill allocates 25% of the gross sales and excise tax revenue generated by adult use marijuana establishments in the State to the municipalities where the revenue was generated and makes a reduction to the amount deposited in the Adult Use Marijuana Public Health and Safety Fund.

Committee Amendment "A" (H-484)

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This amendment changes from 25% to 12% the amount of sales tax and excise tax revenue generated by adult use marijuana establishments required to be transferred to the municipalities where the revenue was generated after the transfer to the Adult Use Marijuana Public Health and Safety Fund and the deduction of state administrative costs. The amendment also adds an appropriations and allocations section.

Senate Amendment "A" To Committee Amendment "A" (S-287)

This amendment makes technical changes to the bill, as amended by Committee Amendment "A," that are necessitated by recent changes to the laws governing adult use marijuana that were enacted in Public Law 2019, chapter 231. (See LD 1652 summarized below.)

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 393 An Act To Change the Eligibility Requirements for the Property Tax ONTP Fairness Credit

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J DESCHAMBAULT S	ONTP	

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.

Part H of the biennial budget, PL 2019, chapter 343, makes the change provided in this bill.

See also LDs 669, 887, 957 and 1158.

LD 403 An Act To Prevent Tax Haven Abuse CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R JACKSON T		

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 the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 420 An Act To Amend the Maine Exclusion Amount in the Estate Tax CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINGS B CHIPMAN B	OTP-AM ONTP	

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This bill returns the exclusion amount, below which the Maine estate tax does not apply, to \$2,000,000 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.

Committee Amendment "A" (H-610)

This amendment, which was the majority report, makes a technical correction to the language that ends the annual adjustment for inflation of the exclusion amount for tax years after 2019 and includes appropriations to cover the cost of administering the change in the exclusion amount.

See also LD 518.

This bill was reported out of committee and then recommitted to the committee; it was then carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 424	An Act To Provide a Sales Tax Exemption for Baling Twine, Net and Wrapping for Hay	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M BLACK R	OTP-AM	H-57

This bill provides a sales tax exemption for baling twine, net and wrapping for hay.

Committee Amendment "A" (H-57)

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 444	An Act To Fully Restore Revenue Sharing	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BELLOWS S WARREN C	ONTP	

This bill restores state-municipal revenue sharing to 5% from 2% of the revenue sharing base beginning April 1, 2019.

Part H of the biennial budget, PL 2019, chapter 343, sets state municipal revenue sharing at 3% of the revenue sharing base in fiscal year 2019-20 and 3.75% of the revenue sharing base in fiscal year 2020-21.

See also LDs 133, 193 and 1278.

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LD 448 An Act Repealing Tax Lien Foreclosure Requirements

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK G HYMANSON P	ONTP	

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.

See also LD 451.

**LD 451 An Act To Repeal the Recently Enacted Changes to the Law Governing
Tax Lien Foreclosure**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOORE M TUELL W		

This bill repeals or removes the changes to the foreclosure law that were made by Public Law 2017, chapter 478. Under that law, a municipality is restricted in how it may sell a foreclosed property that was owned by a person who is at least 65 years of age, occupied the property as a homestead and meets specified income and asset requirements.

PL 2017, chapter 478 also places specific notice requirements regarding the foreclosure process on the State Tax Assessor and municipalities and provides for continuous eligibility under the Maine resident homestead property tax exemption for a person who loses ownership of a homestead to tax lien foreclosure and subsequently regains ownership of the homestead; these provisions are also removed by this bill.

See also LD 448.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

**LD 452 An Act To Change the Penalty When Land under the Maine Tree
Growth Tax Law Is Transferred**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOORE M PERRY A	ONTP	

This bill provides that if land classified under the Maine Tree Growth Tax Law is to be transferred, the owner must notify the assessor of the intended transfer and the intended transferee of a potential withdrawal penalty. 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.

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LD 465 An Act To Eliminate the Service Provider Tax on Services Covered by Medicaid ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART T DOW D	ONTP	

This bill repeals portions of the service provider tax that apply to services that are covered by the federal Medicaid program.

See also LD 892.

LD 483 An Act To Improve the Maine Seed Capital Tax Credit Program ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M HUBBELL B	ONTP	

This bill increases the total annual aggregate amount of credits that may be issued under the Maine Seed Capital Tax Credit Program from \$5,000,000 to \$10,000,000, decreases the total aggregate credits that may be authorized for any one business from \$5,000,000 to \$3,500,000 and requires that eligible businesses 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.

See also LD 1200.

LD 518 An Act To Change the Exclusion Amount under the Estate Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS H	ONTP	

This bill reduces the exclusion amount, below which the Maine estate tax does not apply, to \$1,000,000 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.

See also LD 420.

LD 529 An Act To Provide Property Tax Deferral for Senior Citizens and People with Physical Disabilities ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J SANBORN L	ONTP	

This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991.

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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.

The 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.

See also LDs 682, 751, 1145 and 1242.

LD 560 An Act To Improve Access to Property Tax Exemptions for New Homeowners

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GROHOSKI N	OTP-AM ONTP	H-77 H-194 GROHOSKI N

This bill provides that a permanent resident of the State who owns a homestead in the State does not need to own a homestead for the preceding 12 months in order to qualify for the Maine resident homestead property tax exemption.

Committee Amendment "A" (H-77)

This amendment, which was the majority report of the committee, provides that the bill's expansion of the homestead property tax exemption to include persons who have not owned a homestead for the preceding 12 months first applies for property tax years beginning on or after April 1, 2020. The amendment also adds an appropriations and allocations section.

House Amendment "A" To Committee Amendment "A" (H-194)

This amendment increases the state reimbursement rate of property taxes lost due to such participation to 100% for the first year the exemption is received; thereafter, the rate of state reimbursement returns to the current rate of 62.5%.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 561 An Act To Exempt from Taxation Certain Out-of-state Pensions

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLUME L	ONTP	

This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income. The exemption is only for the amount of the contribution made by the taxpayer divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction.

In order to qualify for the exemption, the contribution must have been made using income on which income tax was paid and 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.

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See also LD 1019.

LD 564 An Act To Encourage the Installation of Solar Panels on Residential Property CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLUME L BREEN C		

This bill provides a property tax exemption for solar panels and associated equipment installed on residential property that qualifies for a homestead exemption.

See also LDs 922, 1191 and 1430.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 604 An Act To Create an Electric Vehicle Tax Credit ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J TERRY M	ONTP	

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. The credit is \$300 plus \$50 for each kilowatt-hour of battery capacity in excess of five kilowatt-hours up to a maximum credit of \$1,500.

LD 607 An Act To Provide Equitable Taxation for the Food and Beverage Industry CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERIN S	OTP-AM ONTP	S-280

This bill allows a deduction from Maine individual and corporate taxable income equal to the reduction in salaries and wages expense for federal income tax purposes associated with the taxpayer's federal credit for employer social security tax on employee cashed tips. Under current Maine law, when an employer takes the credit available under the federal Internal Revenue Code, the employer receives neither a Maine credit nor a return of the federal disallowed deduction for Maine taxable income purposes; such a deduction is allowed from Maine taxable income for the work opportunity credit and empowerment zone employment credit. This bill makes Maine's treatment consistent across the three federal credits.

Committee Amendment "A" (S-280)

This amendment, which is the majority report of the committee, provides the correct references to the provision of federal law that causes the need for the deductions authorized by the bill and specifies that the deductions apply beginning with the 2019 tax year.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th

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Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 609 An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TERRY M		

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.

See also LDs 65, 156, 1110 and 1254.

This bill was carried over to any special or regular session, or both of the 129th Legislature by joint order, H.P. 1322.

LD 625 An Act To Phase Out the Insurance Premium Tax on Annuities CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S DOW D	OTP-AM	H-32

This bill phases out the insurance premium tax on annuity considerations over four years beginning in 2020. During the phase-out period, the prescribed rate applies only if the insurer credits the savings from the rate reductions to annuity holders. The bill also specifies that certain deductions related to annuities may be deducted from annuity considerations for tax periods beginning on or after January 1, 2020.

Committee Amendment "A" (H-32)

This amendment changes the phase-out of the insurance premium tax on annuity considerations from four years to nine years and provides that during the phase-out period the retaliatory tax on non-Maine insurance companies does not apply. The amendment also adds an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 645 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 ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAVEN M	ONTP	

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to require municipalities to cap property taxes on property owned and occupied as a person's primary residence if that person is at least 65 years of age and the household income for the residents of the property does not exceed 400% of the federal poverty level. The tax would be stabilized at the amount assessed on the property on the later of the date by which the

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person attained 65 years of age or purchased the property. 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. The State would be required to reimburse a municipality for any revenue lost due to the cap on property taxes.

See also LD 812.

LD 660 An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MASTRACCIO A	OTP-AM	H-183

This bill provides a sales tax exemption to a parent-teacher organization organized as a public benefit corporation.

Committee Amendment "A" (H-183)

The amendment adds an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 669 An Act To Provide Housing Relief for Maine Families and Seniors ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MORALES V	ONTP	

This bill replaces the property tax fairness credit with a refundable housing relief credit for tax years beginning on or after January 1, 2020.

Resident individuals are eligible for the housing relief credit if their income is equal to or less than the area median income identified by the federal Department of Housing and Urban Development. The credit is equal to the amount by which a resident individual's housing cost exceeds 25% of the individual's income. Housing cost includes payments made for the purpose of maintaining a homestead, including property tax payments, property insurance payments, mortgage payments, rent payments and payments for heat, electricity, water and sewer, including well and septic maintenance. The maximum credit is \$3,000 for resident individuals under 70 years of age as of the last day of the taxable year or \$4,000 for resident individuals 70 years of age and older as of the last day of the taxable year.

See also LDs 393, 887, 957 and 1158.

LD 682 An Act To Provide Seniors and Certain Persons with Disabilities Assistance with Property Taxes through the Deferral of Those Taxes CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-443

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

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older or who is unable to continue employment due to disability and to surviving spouses who are at least 60 years of age or who are unable to continue employment due to disability and provides that income must be less than \$40,000. This income limit is indexed for inflation in 2021 and annually thereafter. 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. 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.

Committee Amendment "A" (H-443)

This amendment makes changes to clarify provisions of the State's property tax deferral program and to facilitate the administration of the deferral of property taxes for seniors and certain persons with disabilities, including expanding the authority of guardians to include an agent under a power of attorney or pursuant to a protective arrangement or any other lawful order. The amendment adds an appropriations and allocations section.

See also LDs 529, 751, 1145 and 1242.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 709	An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S VITELLI E	OTP-AM	H-328

This bill exempts from sales and use tax meals, up to a maximum cost to the employer of \$6 per day, provided to an employee of an eating establishment while that employee is working. It provides that, beginning in 2020, the amount of the exemption must be adjusted for inflation.

Committee Amendment "A" (H-328)

This amendment provides that the tax exemption applies to meals that are provided at no cost to an employee who is actually working as a food service employee and that the exempted meals do not include alcoholic beverages. The amendment also removes the maximum meal cost limitation and inflation indexing provisions and allocates the exemption to a more appropriate subsection.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 725	An Act To Provide an Income Tax Credit To Encourage Small Business Hiring	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FAY J HERBIG E	ONTP	

This bill provides an income tax credit for employers with an average of 25 or fewer full-time employees during a tax year. The credit is equal to the amount of federal social security tax and Medicare tax paid by the employer for the first 40 hours of employment for new employees who are employed for at least 12 consecutive months for year-round jobs or at least two consecutive seasons for seasonal jobs.

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LD 726 An Act To Make Sales to Area Agencies on Aging Tax-exempt

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREA D JACKSON T	OTP-AM	H-56

This bill provides an exemption from the sales and use tax to area agencies on aging, as designated by the Department of Health and Human Services, and public and private nonprofit agencies that are operating under grants provided by the department, that provide social services in order to secure and maintain maximum independence and dignity in a home environment for older people capable of self-care with appropriate supportive services.

Committee Amendment "A" (H-56)

This amendment adds an exemption from the service provider tax for sales of taxable services to agencies that the bill makes eligible for a sales tax exemption.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 731 An Act To Amend the Maine Tax Laws

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R		

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the Maine tax laws.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 732 An Act To Provide a Sales Tax Exemption for Nonprofit Career and Technical Student Organizations

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R LUCHINI L	OTP-AM	H-391

This bill provides a sales tax exemption to nonprofit career and technical education student organizations recognized by the Department of Education.

Committee Amendment "A" (H-391)

This amendment adds an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

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LD 751 An Act To Reinstate the State Property Tax Deferral Program for ONTP
Maine's Senior Homeowners

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SKOLFIELD T DAVIS P	ONTP	

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 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.

See also LDs 529, 682, 1145 and 1242.

LD 811 An Act To Provide Additional Flexibility in the Municipal Property Tax PUBLIC 159
Assistance Programs for Seniors

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMPER J	OTP	

This bill amends the law regarding municipal property tax assistance programs to provide more flexibility to municipalities that choose to implement a program by allowing the municipality to establish:

1. A minimum age for eligibility, as long as that age is at least 62 years; and
2. A minimum length of time that the claimant has maintained a homestead in the municipality.

A municipality may impose other eligibility standards and procedures, as long as they are established by ordinance.

Enacted Law Summary

Public Law 2019, chapter 159 amends the law regarding municipal property tax assistance programs to provide more flexibility to municipalities that choose to implement a program by allowing the municipality to establish:

1. A minimum age for eligibility, as long as that age is at least 62 years; and
2. A minimum length of time that the claimant has maintained a homestead in the municipality.

A municipality may impose other eligibility standards and procedures, as long as they are established by ordinance.

LD 812 An Act To Stabilize Property Taxes on Homesteads of Individuals Who ONTP
Are 66 Years of Age or Older

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J BAILEY D	ONTP	

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This bill permits a municipality to maintain the property tax on the homestead of a permanent resident who is at least 66 years of age or older at the amount billed in the year prior to an application for stabilization. The amount by which the tax assessed exceeds the stabilized amount must be paid to the municipality by the State. An applicant for stabilization must be a permanent resident of the State and must have received a property tax fairness credit for the income tax year preceding application for stabilization. An application for stabilization must be made each year to continue eligibility.

See also LD 645.

LD 824 An Act To Allow a Municipality To Opt Out of Collecting Personal Property and Business Equipment Taxes ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THERIAULT T POULIOT M	ONTP	

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.

See also LD 146.

LD 837 An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MASTRACCIO A WOODSOME D	ONTP	

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.

Part H of the biennial budget, PL 2019, c. 343 increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 35, 77, 164, 1172, 1234 and 1448.

LD 839 An Act To Increase Funding for Multimodal Transportation Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLOUTIER K CHIPMAN B	OTP-AM ONTP	H-329

This bill increases the sales tax on short-term rentals of automobiles, small trucks and vans from 10% to 15% to provide funding for multimodal transportation. The increase takes effect October 1, 2019.

Committee Amendment "A" (H-329)

This amendment reduces from 15% to 12% the increased rate of the sales tax on short-term rental of automobiles,

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small trucks and vans and adds an appropriations and allocations section.

LD 854 An Act To Improve Tax Incentives for Broadband Service

PUBLIC 260

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ACKLEY K BELLOWS S	OTP-AM	H-385

This bill expands the allowable use of tax increment financing to include development, expansion or improvement of broadband services, including connecting to broadband service outside the tax increment financing district.

Committee Amendment "A" (H-385)

This amendment clarifies the circumstances under which tax increment financing project costs may include broadband and fiber optics expansion projects that serve residential or other nonbusiness or noncommercial areas within a municipality or plantation.

See also LD 1123.

Enacted Law Summary

Public Law 2019, chapter 260, expands the allowable use of tax increment financing to include development, expansion or improvement of broadband services, including connecting to broadband service outside the tax increment financing district and clarifies the circumstances under which tax increment financing project costs may include broadband and fiber optics expansion projects that serve residential or other nonbusiness or noncommercial areas within a municipality or plantation.

LD 863 An Act To Exempt Diapering Products from Sales Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D VITELLI E	OTP-AM ONTP	H-212

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.

Committee Amendment "A" (H-212)

This amendment, which is the majority report of the committee, incorporates a fiscal note.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 873 An Act To Clarify the Application of the Motor Vehicle Excise Tax to Water Well Drilling Equipment

PUBLIC 430

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRIGNON C DAVIS P	OTP-AM	H-442

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This bill sets the annual property tax on equipment for water well drilling owned by a licensed well driller at \$2,500 for tax years beginning January 1, 2020 and thereafter.

Committee Amendment "A" (H-442)

This amendment strikes and replaces the bill and provides that water well drilling equipment attached to a self-propelled vehicle is not considered part of the motor vehicle for purposes of the motor vehicle excise tax.

Enacted Law Summary

Public Law 2019, chapter 430, provides that water well drilling equipment attached to a self-propelled vehicle is not considered part of the motor vehicle for purposes of the motor vehicle excise tax.

LD 887 An Act To Improve the Property Tax Fairness Credit

ONTP

Sponsor(s)

BLUME L

Committee Report

ONTP

Amendments Adopted

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.

Part H of the biennial budget, PL 2019, chapter 343, 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 also LDs 393, 669, 957 and 1158.

LD 892 Resolve, To Require the Examination of Alternatives to the Service Provider Tax

RESOLVE 81

Sponsor(s)

VITELLI E
MCCREIGHT J

Committee Report

OTP-AM

Amendments Adopted

S-289

This bill repeals the service provider tax for so-called MaineCare Appendix C private nonmedical institutions, 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.

Committee Amendment "A" (S-289)

This amendment replaces the bill with a resolve that directs the Department of Health and Human Services in partnership with the Department of Administrative and Financial Services and other state agencies that the departments determine should be included to examine the service provider tax and alternatives to the tax and submit a report on their findings to the Joint Standing Committee on Taxation by March 1, 2020. The committee is authorized to submit a bill to the Second Regular Session of the 129th Legislature.

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See also LD 465.

Enacted Law Summary

Resolve 2019, chapter 81, directs the Department of Health and Human Services in partnership with the Department of Administrative and Financial Services and other state agencies that the departments determine should be included to examine the service provider tax and alternatives to the tax and submit a report on their findings to the Joint Standing Committee on Taxation by March 1, 2020. The committee is authorized to submit a bill to the Second Regular Session of the 129th Legislature.

LD 903 An Act To Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUDDY S CHIPMAN B		

This bill establishes two new tax brackets and three new rates for corporate income tax purposes for tax years beginning on or after January 1, 2020. Under the bill, corporate income between \$2,000,000 and \$3,000,000 is taxed at the rate of 8.5% and corporate income between \$3,000,000 and \$3,500,000 is taxed at the rate of 8.75%; such income is taxed under current law at the rate of 8.33%. The top tax rate, which is imposed on corporate income over \$3,500,000, is increased from 8.93% to 9%.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 905 An Act To Exempt Long-term Capital Gains from Income Tax for Certain Income Levels Accepted Report B (ONTP)

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAUGHTRY M	OTP-AM ONTP	

This bill exempts from Maine income tax net capital gains on the sale of securities held for 10 years or longer and that are subject to federal income tax for individuals with federal adjusted gross income of \$300,000 or less if filing married joint returns and \$150,000 or less for all other individuals.

Committee Amendment "A" (H-211)

This amendment, which was one of two reports, each supported by six members of the committee, provides an income tax deduction for certain long-term capital gains related to securities held for at least 10 years after October 1, 2019 that were not acquired by gift or inheritance if at least one of the taxpayers filing the tax return is 62 years of age or older and the federal adjusted gross income of the individuals filing the return is \$150,000 or less for individuals filing married joint returns and \$75,000 or less for all other returns.

This amendment was not adopted.

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LD 922 An Act To Provide a Property Tax Exemption for Renewable Energy Fixtures ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J MIRAMANT D	ONTP	

This bill provides a property tax exemption for renewable energy fixtures installed on or after September 1, 2019.

See also LDs 564, 1191 and 1430.

LD 957 An Act To Increase the Property Tax Fairness Credit ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
INGWERSEN H POULIOT M	ONTP	

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.

Part H of the biennial budget, PL 2019, chapter 343, 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 also LDs 393, 669, 887 and 1158.

LD 958 An Act To Amend the Maine Income Tax Laws ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	ONTP	

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the Maine income tax laws.

LD 963 An Act To Exempt Overtime Pay from Individual Income Tax Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRIGNON C FARRIN B	ONTP OTP-AM	

This bill excludes from income tax overtime compensation if the employer is required by law to pay the overtime compensation to the employee.

Joint Standing Committee on Taxation

Committee Amendment "A" (H-259)

This amendment, which is the minority report of the committee and which was adopted in the Senate, adds an appropriations and allocations section to fund costs of activities necessary to administer the tax change provided in the bill.

This amendment was not adopted.

Senate Amendment "A" To Committee Amendment "A" (S-256)

This amendment, which was adopted in the Senate, imposes a surcharge in the amount of 2.15% on income above \$1,450,000. The revenue from the surcharge must be used to offset the loss of revenue attributable to the exclusion of overtime pay from income tax provided for in the bill.

This amendment was not adopted.

LD 977	An Act To Restore the Super Credit for Substantially Increased Research and Development	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEPLER A BELLOWS S	OTP-AM	H-621

Under a tax credit that expired January 1, 2014, a taxpayer that qualified for a research expense tax credit was allowed a so-called super credit for qualified research expenses for research conducted in this State. 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.

This bill restores the availability of the super credit, retroactive to January 1, 2014, and resets the base amount to the average annual amount spent by the taxpayer on qualified research expenses during the three years before the credit is taken or during the three years before the effective date of this legislation, whichever is greater.

Committee Amendment "A" (H-621)

This amendment restores the super credit for substantially increased research and development for tax years beginning on or after January 1, 2019. The amendment also provides reporting and evaluation requirements to permit evaluation of the credit in meeting its intended purposes.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 989	An Act To Improve Maine's Tax Laws	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHIPMAN B		

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to enact changes to improve the application and efficacy of the tax laws.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

Joint Standing Committee on Taxation

LD 1019 An Act To Increase the Maximum Pension Deduction for State Income Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KEIM L	OTP-AM	S-230

This bill eliminates double taxation of certain employee contributions to retirement benefit plans made in other states by 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 jurisdiction if those benefits are included in federal adjusted gross income.

Committee Amendment "A" (S-230)

This amendment increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from \$10,000 to \$35,000 over a five-year period beginning with the 2019 tax year. The \$35,000 pension deduction amount that applies after the 2023 tax year is subject to an annual inflation adjustment.

See also LD 561.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1028 An Act To Prevent and Reduce Tobacco Use with Adequate Funding and by Equalizing the Taxes on Tobacco Products and To Improve Public Health

PUBLIC 530

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J	OTP-AM	H-622
CHIPMAN B	ONTP	H-656 TIPPING R

This bill increases the cigarette tax from \$2.00 to \$3.50 per pack of 20 cigarettes and increases the tax on all other tobacco products including electronic cigarettes to 81% of the wholesale sales price, beginning November 1, 2019.

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.

The bill provides ongoing funding, \$11,100,000 per year, to the Department of Health and Human Services, Maine Center for Disease Control and Prevention for tobacco use prevention and cessation in order to align with the United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. The bill also provides \$1,000,000 in fiscal year 2019-20 and \$750,000 thereafter for MaineCare members for tobacco use cessation medications and counseling. Finally, the bill provides \$250,000 per year in ongoing funding to the Attorney General's office for increased tobacco enforcement activities.

Committee Amendment "A" (H-622)

This amendment, which is the majority report of the committee, strikes the bill and instead increases the tax on tobacco products, other than cigarettes, to 43% of the wholesale sales price, beginning January 2, 2020, and includes electronic smoking devices and liquids used in electronic smoking devices in the definition of "tobacco products." The amendment provides that, if the tax on cigarettes is increased after January 2, 2020, the tax on smokeless tobacco and other tobacco products will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.

Joint Standing Committee on Taxation

The amendment provides ongoing funding of \$5,100,000 in each year of the biennium to the Department of Health and Human Services, Maine Center for Disease Control and Prevention for tobacco use prevention and cessation in order to align with the United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. The bill also provides \$1,000,000 in fiscal year 2019-20 and \$750,000 in fiscal year 2020-21 for tobacco use cessation medications and counseling for MaineCare members.

House Amendment "A" To Committee Amendment "A" (H-656)

This amendment reduces appropriations for tobacco use prevention and cessation and adds provisions increasing reimbursement for certain services under the MaineCare program, providing an income tax deduction for student loan payments made by a taxpayer's employer directly to a lender on behalf of a qualified health care employee and transferring Hospital Tax Other Special Revenue Funds in the Department of Health and Human Services to the unappropriated surplus of the General Fund.

Enacted Law Summary

Public Law 2019, chapter 530 increases the tax on tobacco products, other than cigarettes, to 43% of the wholesale sales price, beginning January 2, 2020, and includes electronic smoking devices and liquids used in electronic smoking devices in the definition of "tobacco products." The law provides that, if the tax on cigarettes is increased after January 2, 2020, the tax on smokeless tobacco and other tobacco products will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.

This law provides ongoing funding in each year of the biennium to the Department of Health and Human Services, Maine Center for Disease Control and Prevention for tobacco use prevention and cessation in order to align with the United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. The law also provides funding for tobacco use cessation medications and counseling for MaineCare members.

The law increases reimbursement for certain services under the MaineCare program, provides an income tax deduction for student loan payments made by a taxpayer's employer directly to a lender on behalf of a qualified health care employee and transfers Hospital Tax Other Special Revenue Funds in the Department of Health and Human Services to the unappropriated surplus of the General Fund.

LD 1031 An Act To Base the Vehicle and Mobile Home Excise Tax on Actual Value

ONTP

Sponsor(s)

ORDWAY L
DAVIS P

Committee Report

ONTP

Amendments Adopted

This bill requires that the excise tax for all motor vehicles, mobile homes and camper trailers be based upon the actual value of the vehicle or mobile home at the time of delivery to the owner, as determined by sources approved by the State Tax Assessor rather than the maker's list price required under current law.

The bill requires the State to reimburse a municipality for the difference between the amount of excise tax that would be collected by the municipality on all vehicles registered and taxed by the municipality using the actual value and the amount of tax that would be collected using maker's list price.

See also LD 119.

Joint Standing Committee on Taxation

LD 1042 An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROBERTS-LOVELL		

This bill permits a veteran with a service-connected disability rated by the United States Department of Veterans Affairs at 30% or greater to choose to receive a homestead exemption equal to 50% of the just value of the homestead multiplied by the veteran's percentage disability rating instead of the current homestead exemption and exemptions for veterans and legally blind persons. The bill requires the State to reimburse municipalities for 75% of the revenue loss attributable to the new exemption.

See also LDs 163, 1194, 1271 and 1326.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 1044 An Act To Advance Children's Cancer Research in Maine

PUBLIC 433

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEAD F JACKSON T	OTP-AM	H-441

This bill was rereferred from the Joint Standing Committee on Transportation with the recommendation that the bill establish an income tax checkoff contribution. The original bill creates the option for an individual to make a donation upon vehicle registration or renewal 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 must be used exclusively for children's cancer research.

Committee Amendment "A" (H-441)

This amendment replaces the bill and establishes the Maine Children's Cancer Research Fund administered by the Department of Health and Human Services to support children's cancer research. Amounts available in the fund must be used to provide grants and other funding to support children's cancer research provided by research facilities in Maine that operate children's cancer programs. The amendment also requires the inclusion of a check-off provision on Maine income tax forms for taxpayers who wish to contribute to the fund. The amendment also adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2019, chapter 433, establishes the Maine Children's Cancer Research Fund administered by the Department of Health and Human Services to support children's cancer research. Amounts available in the fund must be used to provide grants and other funding to support children's cancer research provided by research facilities in Maine that operate children's cancer programs. The law also requires the inclusion of a checkoff provision on Maine income tax forms for taxpayers who wish to contribute to the fund.

Joint Standing Committee on Taxation

LD 1069 An Act To Amend the Tax Expenditure Review Process

PUBLIC 161

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP	

This bill changes dates for the submission to the Legislature of tax expenditure reports by the joint standing committee of the Legislature having jurisdiction over taxation matters and the date for submission to the committee of certain materials by the Office of Program Evaluation and Government Accountability. 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.

Enacted Law Summary

Public Law 2019, chapter 161, changes dates for the submission to the Legislature of tax expenditure reports by the joint standing committee of the Legislature having jurisdiction over taxation matters and the date for submission to the committee of certain materials by the Office of Program Evaluation and Government Accountability. 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.

**LD 1070 An Act To Reduce the Number of Domestic Assaults and Suicides By
Increasing the Tax on Alcohol**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CARDONE B GRATWICK G	ONTP	

This bill increases the premium tax on spirits from \$1.25 to \$1.50 per proof gallon, the excise tax on malt liquor from 35 cents to 50 cents per gallon, the excise tax on wine, fortified wines and hard cider by various amounts and the sales tax on liquor sold in licensed establishments from 8% to 10%.

**LD 1074 An Act To Establish a Tax on Water Extracted for Bottling in Order To
Secure the Economic Future of Rural Maine**

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRAMLICH L CARPENTER M	ONTP OTP-AM	

This bill creates an excise tax of 12¢ per gallon on the extraction of groundwater or surface water for commercial bottling for sale. Revenue from the tax must be used to improve the economy of the State by supporting the expansion and improvement of high-speed broadband access and by providing tuition grants for up to two years for postsecondary education.

Committee Amendment "A" (H-637)

This amendment, which is the minority report of the committee, reduces the proposed tax on the extraction of bottled water from 12¢ per gallon to 5¢ per gallon and provides that the revenue, after subtraction of administrative costs, is credited to the Highway Fund. The amendment also includes statutory referendum provisions to ensure that the tax will not take effect unless approved by the voters at a statewide election and changes dates to reflect the referendum timing.

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This amendment was not adopted.

LD 1076 An Act To Account for Market Change in the Adult Use Marijuana Excise Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S		

This bill changes the excise tax on adult use marijuana cultivation facilities from a tax based on quantity to a tax based on a percentage of the average market price for 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.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 1110 An Act To Establish a Local Option for Sales Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRAMLICH L CHIPMAN B	ONTP	

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.

See also LDs 65, 156, 609 and 1254.

LD 1122 An Act To Expand Tax Increment Financing

PUBLIC 148

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-75

This bill expands the types of projects eligible for tax increment financing for municipalities and plantations by including public safety facilities instead of just fire stations, as in the current law.

Committee Amendment "A" (S-75)

This amendment, like the bill, expands the types of projects eligible for tax increment financing by including public safety facilities instead of only fire stations as allowed under current law. The amendment defines "public safety facility" and caps the percentage of tax increment financing funds per development district that may be used for public safety facilities located outside the district.

Joint Standing Committee on Taxation

Enacted Law Summary

Public Law 2019, chapter 148 expands the types of projects eligible for tax increment financing by including public safety facilities instead of only fire stations as allowed under current law. The law defines "public safety facility" and caps the percentage of tax increment financing funds per development district that may be used for public safety facilities located outside the district.

LD 1123 An Act Regarding Telecommunications Infrastructure Costs

ONTP

Sponsor(s)

BLACK R
LANDRY S

Committee Report

ONTP

Amendments Adopted

This bill amends the laws governing 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.

See also LD 854.

LD 1131 Resolve, Directing the Maine State Housing Authority To Study and Report on the Need for Modifications To Make Homes Accessible for Senior Citizens and Persons with Disabilities

RESOLVE 50

Sponsor(s)

MORALES V
DESCHAMBAULT S

Committee Report

OTP-AM

Amendments Adopted

H-327

This bill changes the maximum income eligibility level for the income tax credit for home modifications to improve accessibility and the Maine State Housing Authority pilot project to assist older adults and persons with disabilities with certain home modifications. The new income eligibility level for each program is changed to the area median income as determined by the United States Department of Housing and Urban Development for the county or municipality in which the home is located.

Committee Amendment "A" (H-327)

This amendment changes the bill to a resolve and directs the Maine State Housing Authority to work with interested parties to study and make recommendations to the Second Regular Session of the 129th Legislature regarding the need, with reference to geographical areas of the State, for home modifications to provide accessibility for low-income older or disabled residents of the State in order to permit those persons to remain in their homes and avoid institutionalization.

See also LD 6.

Enacted Law Summary

Resolve 2019, chapter 50, directs the Maine State Housing Authority to work with interested parties to study and make recommendations to the Second Regular Session of the 129th Legislature regarding the need, with reference to geographical areas of the State, for home modifications to provide accessibility for low-income older or disabled residents of the State in order to permit those persons to remain in their homes and avoid institutionalization.

Joint Standing Committee on Taxation

LD 1145 An Act To Improve the Law Authorizing Municipalities To Allow ONTP
Low-income Seniors To Defer Payment of Municipal Property Taxes

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J SANBORN H	ONTP	

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.

See also LDs 529, 682, 751 and 1242.

LD 1150 An Act To Amend the Maine Tree Growth Tax Law To Encourage Public CARRIED OVER
Access

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN J JACKSON T		

This bill excludes from classification under the Maine Tree Growth Tax Law a parcel of land to which public access for recreational use is limited or prohibited.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 1156 An Act To Create the Savings Account Program for Small Businesses CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART T JACKSON T		

This bill establishes the Savings Account Program for Small Businesses in the Finance Authority of Maine to certify corporations eligible to claim an income tax credit for contributions made to qualifying savings accounts. The bill creates the tax credit and establishes that withdrawals from the savings accounts are taxable income.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 1158 An Act To Provide Property Tax Relief CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TALBOT ROSS R SANBORN H	OTP-AM	H-382

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

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Maine Residents Property Tax Program, referred to as "the circuitbreaker program," which was in effect prior to enactment of the property tax fairness credit.

Committee Amendment "A" (H-382)

This amendment changes "calendar year" to "tax year" in the definition of "household income" and clarifies that the income factor for the calculation proposed in the bill of the property tax fairness credit is household income. This amendment also adds an appropriations and allocations section.

See also LDs 393, 669, 887 and 957.

Part H of the biennial budget, PL 2019, chapter 343, 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.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1163 An Act Regarding Energy, Utilities and Technology

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE M		

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the laws regarding energy, utilities and technology.

This bill was rereferred to the Taxation Committee by the Joint Standing Committee on Energy, Utilities and Technology with a recommended draft of an income tax credit for investments in qualified high-speed internet projects.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 1164 An Act To Improve the Educational Opportunity Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-229

This bill makes the current income tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2020, and creates a new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2020. The new credit contains the following provisions.

1. A qualified individual must be a full-year Maine resident who has obtained an associate, bachelor's or graduate degree from an accredited Maine or non-Maine community college, college or university after 2007 and 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.
2. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt

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organizations, do not qualify for the credit.

3. The credit may not reduce the tax due to less than zero.
4. The credit for qualified individuals is the lesser of the amount paid on eligible education loans during the taxable year and 15% of the outstanding eligible education loan debt on the date the first education loan payment is made after a degree is earned.
5. The credit for employers is the lesser of the amount paid by an employer on behalf of a qualified employee during the taxable year during the term of employment and 20% of the outstanding eligible education loan debt on the date the first education loan payment is made after December 31, 2019.
6. The credit is available to the spouse of an individual eligible for a credit even if the spouse is not employed.
7. Income tax deductions are provided for student loan payments made directly to a lender by an employer on behalf of a qualified employee and payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State.
8. The annual credit may include loan amounts paid in excess of the amount due during a taxable year. The amendment also provides that credits in excess of those that may be used during a taxable year may be carried over for the next succeeding five years.

Committee Amendment "A" (S-229)

This amendment removes the requirement that a taxpayer's degree was received after 2007 to receive a credit for student loan repayment and provides that taxpayers who were eligible for a refundable credit under the credit for educational opportunity may continue to receive a refundable credit for tax years beginning before January 1, 2022. The amendment also increases from \$50,000 per year to \$75,000 per year the funds provided to market the Job Creation Through Educational Opportunity Program.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1172	An Act To Provide Direct Property Tax Relief to Homeowners by Increasing the Homestead Exemption	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N GIDEON S	ONTP	

This bill increases the total exemption amount under the Maine resident homestead property tax exemption program from the current \$20,000 to \$30,000 for the property tax year beginning April 1, 2020 and to \$40,000 for property tax years beginning on or after April 1, 2021. This bill also increases the reimbursement rate by the State for the revenue lost by a municipality due to the exemption from 62.5% to 75%, beginning with the 2020-2021 property tax year.

Part H of the biennial budget, PL 2019, c. 343 increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 35, 77, 164, 837, 1234 and 1448.

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LD 1191 An Act To Exempt Solar Energy Equipment from Property Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE M	ONTP	

This bill provides a property tax exemption for solar energy equipment installed on residential property on or after September 1, 2019 to generate electricity or provide hot water to be used in a structure.

See also LDs 564, 922 and 1430.

LD 1194 An Act To Increase Property Tax Relief for Veterans

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T NADEAU C	OTP-AM	S-136

This bill increases the property tax exemption beginning on or after April 1, 2020 from \$6,000 to \$10,000 of the just value of a home of a veteran who served in the Armed Forces of the United States during specified periods or who is receiving compensation from the United States Government for total, service-connected disability.

Committee Amendment "A" (S-136)

This amendment increases to \$10,000 the property tax exemption for all categories of eligible veterans other than those receiving a \$50,000 exemption for specially adapted housing units and who are paraplegic veterans. It also expands the dates of federally recognized war periods to include February 1, 1955 to February 27, 1961. State reimbursement is provided for 100% of the property tax revenue loss to municipalities as a result of the increase and expansion of exemptions. The amendment also adds an appropriations and allocations section.

See also LDs 163, 1042, 1271 and 1326.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1200 An Act To Amend the Maine Seed Capital Tax Credit Program

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M GIDEON S	OTP-AM	S-169

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

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business;

4. Limiting to \$2,000,000 the total aggregate investment eligible for any one business in any calendar year; and
5. Increasing from \$5,000,000 to \$15,000,000 the overall annual limit on total authorized credits.

Committee Amendment "A" (S-169)

This amendment restricts the increase in the overall annual limit on total authorized credits to calendar years 2019 to 2025, removes the requirement that a majority of an eligible business's employment associated with the creation and sale of a product or a provision of services be within the State and provides a structure for the required reporting of data to facilitate an evaluation of the effectiveness of the credit by the Office of Program Evaluation and Government Accountability.

See also LD 483.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1234	An Act To Expand the Value of the Homestead Exemption to \$25,000 and State Reimbursement to 70 Percent of Lost Property Tax Revenue	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
AUSTIN B LIBBY N	OTP-AM OTP-AM	H-482

This bill increases for property tax years beginning April 1, 2020 the value of the homestead exemption benefit under the Maine resident homestead property tax exemption from \$20,000 to \$25,000 and increases the state reimbursement for the lost property tax revenue from 62.5% to 100%. The bill also provides that the property tax assessed on a homestead eligible for the homestead exemption may not be less than \$100.

Committee Amendment "A" (H-482)

This amendment, which is the majority report of the committee, changes to 70% the percentage of state reimbursement of lost property tax revenue due to the increase in the homestead exemption in the bill. It also removes from the bill the provision that the tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. The amendment also adds an appropriations and allocations section.

Committee Amendment "B" (H-483)

This amendment, which is the minority report of the committee, removes from the bill the increase in the value of the homestead exemption and the provision that the tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. The amendment also adds an appropriations and allocations section.

This amendment was not adopted.

See also LDs 35, 77, 164, 837, 1172 and 1448.

Part H of the biennial budget, PL 2019, c. 343 increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

Joint Standing Committee on Taxation

LD 1238 An Act To Exempt Certain Print Publications from Sales Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEPLER A GRATWICK G	OTP-AM ONTP	H-330

This bill expands the sales tax exemption for free publications to also apply to printed publications, including daily newspapers, that are issued at least once every seven days, on average.

Committee Amendment "A" (H-330)

This amendment, which is the majority report of the committee, removes language from the bill that changes the definition of "publication" to retain the minimum average publication interval of three months, as found in the current law, required for a publication to qualify for the exemption.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1242 An Act To Reinstitute the State Property Tax Deferral Program for Seniors

**Leave to Withdraw
Pursuant to Joint
Rule**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLOUTIER K LIBBY N		

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.

See also LDs 529, 682, 751 and 1145.

LD 1254 An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding To Treat Opioid Use Disorder

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SYLVESTER M CHIPMAN B	OTP-AM ONTP	

This bill allows a municipality to impose a local option sales tax, which may be seasonal, on prepared food, not including marijuana or marijuana products, and short-term lodging 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 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.

Committee Amendment "A" (H-536)

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This amendment, which is the majority report of the Committee, provides that a municipality adopting a local option sales tax on meals and lodging is limited to a tax rate of 1% and provides that the tax must be assessed year-round. The amendment changes the distribution of local sales tax net revenue to 75% for the municipality imposing the tax and 25% to be distributed to the Maine Rural Development Authority. A local option sales tax may not take effect before July 1, 2021. This amendment was adopted in the House but not in the Senate.

This amendment was not adopted.

House Amendment "A" To Committee Amendment "A" (H-593)

This amendment limits the local option sales tax to lodging. This amendment was adopted in the House but not in the Senate.

This amendment was not adopted.

See also LDs 65, 156, 609 and 1110.

This bill was recommitted to the committee; it was then carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 1256 An Act To Provide a Health Care Preceptor Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A MOORE M	OTP-AM	H-331

This bill establishes a refundable tax credit in the amount of \$500 per student, up to a maximum of \$1,500 per year, for a health care preceptor who provides, without compensation, instruction to and supervision of advanced practice registered nursing students in an approved course of study. A health care preceptor may be a licensed physician, physician's assistant or advanced practice registered nurse.

Committee Amendment "A" (H-331)

This amendment requires a health care preceptor to submit documentation of the activities necessary for the preceptor to qualify for an income tax credit and removes the provision making the credit refundable.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1265 An Act To Establish a Maine Low-income Housing Tax Credit

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M COLLINGS B	ONTP	

This bill creates an income tax credit for owners of low-income housing developments that qualify for tax credits under federal law and are financed with tax-exempt bonds, located in the State and 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. A taxpayer that 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. The aggregate amount of new credits allocated by the Maine State Housing Authority may not exceed \$42,000,000 in each year.

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The state tax credit is for six years and has a recapture provision if the basis, as determined under federal law, of the development goes below a certain amount. An insurance company is allowed to apply the credit against the company's insurance premium tax. The Maine State Housing Authority is required annually to report various details of the qualified developments that received a credit for the prior tax year.

See also LD 1645.

LD 1271 An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T NADEAU C	ONTP	

This bill provides a 100% veterans property tax exemption in the municipality of residence for a veteran receiving benefits based on a rating of 100% for a service-connected disability.

See also LDs 163, 1042, 1194 and 1326.

LD 1278 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 **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOORE M TUELL W	ONTP	

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.

Part H of the biennial budget, PL 2019, chapter 343, sets state municipal revenue sharing at 3% of the revenue sharing base in fiscal year 2019-20 and 3.75% of the revenue sharing base in fiscal year 2020-21.

See also LDs 133, 193 and 444.

LD 1292 An Act To Lower Maine's Individual Income Tax **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'CONNOR B DOW D	ONTP OTP-AM	

This bill decreases over three years the rate of taxation imposed on individual income by:

1. Decreasing the lowest rate from 5.8% to 5.2% for tax years 2020 and 2021 and to 5% beginning in 2022;
2. Decreasing the middle rate from 6.75% to 6.3% for tax years 2020 and 2021 and to 6% beginning in 2022; and
3. Decreasing the highest rate from 7.15% to 7.05% for tax years 2020 and 2021 and to 7% beginning in 2022.

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This bill also changes cross-references in the Tax Relief Fund for Maine Residents and inflation adjustment statutes.

Committee Amendment "A" (H-384)

This amendment, which is the minority report of the committee, corrects a rounding error in the bill and adds language to make inflation adjustments to the tax tables.

This amendment was not adopted.

LD 1305 An Act To Encourage Savings through Contributions to Family Development Accounts

**Accepted Report B
(ONTP)**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VITELLI E BROOKS H	OTP-AM ONTP	

This bill reestablishes an income tax credit for contributions up to \$25,000 to a family development account reserve fund administered by a community development organization approved by the Finance Authority of Maine.

Committee Amendment "A" (S-137)

This amendment, which was one of two reports, each supported by six members of the committee, changes the responsibility for the verification of eligibility for the tax credit for contributions to a family development account reserve fund from the State Tax Assessor to the state agency with responsibility for overseeing the family development account program.

This amendment was not adopted.

See also LD 1217 summarized under the Joint Standing Committee on Innovation, Development, Economic Advancement and Business.

LD 1322 An Act To Provide Equitable Tax Treatment to State-licensed Marijuana Businesses

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JORGENSEN E CHIPMAN B	OTP-AM	H-334

This bill expands the list of licensed marijuana businesses that are eligible to take tax deductions otherwise allowed under the state income tax laws to include adult use marijuana establishments and testing facilities and medical marijuana manufacturing facilities. This bill also corrects two lettering conflicts created when two separate public laws enacted new paragraphs with the same letter designations by reallocating the later enacted versions.

Committee Amendment "A" (H-334)

This amendment provides a General Fund appropriation for administrative costs.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

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LD 1326 An Act To Expand Eligibility for the Veterans' Property Tax Exemption ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KEIM L	ONTP	

This bill allows 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.

See also LDs 163, 1042, 1194 and 1271.

LD 1362 An Act To Fund Opioid Treatment by Establishing an Excise Tax on CARRIED OVER
Manufacturers of Opioids

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M	OTP-AM	H-608
CHIPMAN B	OTP-AM	H-650 O'NEIL M

This bill establishes the Opioid Stewardship Fund within the Fund for a Healthy Maine for the purpose of supporting opioid use disorder prevention, treatment and recovery funded by an excise tax of 0.1¢ per morphine milligram equivalent assessed upon opioid drugs distributed in the State.

Committee Amendment "A" (H-608)

This amendment, which is the majority report of the committee, makes the following changes to the bill.

1. It provides that the excise tax is a tax on manufacturers of opioids if more than 100,000 morphine milligram equivalents of the manufacturer's prescription opioid products are dispensed in the State in the tax year.
2. It changes the rate of the tax from 0.1¢ per morphine milligram equivalent to \$0.01 per morphine milligram equivalent for a brand-name opioid distributed in the State or \$0.0025 per morphine milligram equivalent for a generic substitute.
3. It removes the prohibition on passing the tax on to consumers.
4. It provides that revenue collected from the tax also may be used to fund the costs of administering the tax and provides necessary administrative details.
5. It provides that the tax is in effect until December 31, 2023 and requires the joint standing committee of the Legislature having jurisdiction over taxation matters to review the tax. It authorizes the committee to submit a bill to extend, amend or repeal the tax to the 131st Legislature based on the review.
6. It adds an appropriations and allocations section.

Committee Amendment "B" (H-609)

This amendment, which is the minority report of the committee, changes the bill to a resolve and directs the Commissioner of Health and Human Services, in consultation with the director of opioid response in the Executive Department and the Department of Administrative and Financial Services, Maine Revenue Services, to convene a study group to examine the need for funding for opioid use disorder education, prevention, treatment and recovery services and to identify sustainable sources of funding. The commissioner is directed to present a report of the

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study group's findings and recommendations to the Joint Standing Committee on Taxation and the Joint Standing Committee on Appropriations and Financial Affairs by January 10, 2020. Each committee may submit legislation to the Second Regular Session of the 129th Legislature regarding the results of the report.

House Amendment "B" To Committee Amendment "A" (H-650)

This amendment to the committee amendment strikes the list of information that must be reported annually by a manufacturer of opioids to the Department of Health and Human Services and substitutes a requirement that the department adopt major substantive rules establishing the information that must be reported. The amendment also provides a different method of determining the products subject to the two levels of tax specified in the committee amendment and changes elements of the calculation of the rates. This retains the appropriations and allocations section in Committee Amendment "A."

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1424 An Act To Create an Access to Justice Income Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-332

This bill provides an income tax credit for five years for attorneys who practice law in the State and agree to practice for at least five years in an underserved area of the State as determined by the Supreme Judicial Court. Eligibility for the credit is open from 2020 through 2025. The court may certify up to five eligible attorneys each year. 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.

Committee Amendment "A" (H-332)

This amendment changes the entity reporting information to the Legislature regarding the access to justice credit from the State Tax Assessor to the Supreme Judicial Court and clarifies that the authorized disclosure by the assessor of tax information related to the credit is to the Supreme Judicial Court for purposes of making the report to the Legislature.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1430 An Act To Create Tax Equity among Renewable Energy Investments

PUBLIC 440

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R POULIOT M	OTP-AM	H-507

This bill provides clarification related to the eligibility of business investments in renewable energy facilities for purposes of the business equipment tax exemption and provides personal property tax and real estate tax exemptions for renewable energy facilities installed for noncommercial use. Additionally, the bill directs the Department of Administrative and Financial Services, Maine Revenue Services to provide guidance documents to assist municipalities with the assessment of renewable energy facilities included in these provisions.

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Committee Amendment "A" (H-507)

This amendment provides property tax exemptions for certain renewable energy facilities in the form of personal property and real property. Additionally, the amendment directs the Department of Administrative and Financial Services, Maine Revenue Services to provide guidance on its publicly accessible website to assist municipalities with the assessment of renewable energy facilities included in these provisions.

See also LDs 564, 922 and 1191.

Enacted Law Summary

Public Law 2019, chapter 440, provides property tax exemptions for certain renewable energy facilities in the form of personal property and real property. Additionally, the amendment directs the Department of Administrative and Financial Services, Maine Revenue Services to provide guidance on its publicly accessible website to assist municipalities with the assessment of renewable energy facilities included in these provisions.

LD 1443 An Act To Enact the Senior Property Tax Reimbursement Act ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PICKETT R CLAXTON N	ONTP	

This bill provides 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. For an individual to be eligible, the individual must be receiving a homestead exemption, have a household income of less than \$40,000 and, if filing individually, have liquid assets of less than \$50,000 or, if household members are filing jointly, have liquid assets of less than \$75,000.

See also LDs 682 and 751.

LD 1446 An Act To Remove Sales and Use Taxation on Gold and Silver Coins Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU J MOORE M	ONTP OTP-AM	

This bill exempts from the sales and use tax sales of specie, which is defined as coins with gold or silver content or refined gold or silver bullion that is coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not on its form.

Committee Amendment "A" (H-333)

This amendment, which is the minority report of the committee, incorporates a fiscal note.

This amendment was not adopted.

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LD 1448 An Act To Expand the Homestead Exemption for Disabled Veterans

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINGS B CARPENTER M	ONTP	

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 just value of the homestead multiplied by the veteran's disability rating percentage instead of the current homestead exemption and exemptions for veterans and legally blind persons.

See also LDs 35, 77, 164, 873, 1172 and 1234 for homestead exemption bills. Part H of the biennial budget, PL 2019, c. 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 163, 1042, 1194, 1271 and 1326 for veterans' property tax exemption bills.

LD 1452 An Act Regarding the Collection of the Sales and Use Tax by Marketplace Facilitators

PUBLIC 441

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R CHIPMAN B	OTP-AM	H-508 H-521 TIPPING R

This bill ensures that persons making sales through physical or electronic marketplaces of tangible personal property and taxable services subject to the sales and use tax are subject to the same sales and use tax collection and remittance responsibilities as other sellers.

Committee Amendment "A" (H-508)

This amendment enacts definitions and other provisions to require a marketplace facilitator to collect and remit the sales tax on sales of tangible personal property and taxable services facilitated on the marketplace facilitator's marketplace that are delivered into the State. It consolidates the sales tax registration provisions by repealing the recently enacted Maine Revised Statutes, Title 36, section 1951-B and reformatting the provision of law requiring certain persons to register with the State Tax Assessor and collect and remit taxes, including the remote seller registration requirements in the new provision, harmonizing the merged provisions and removing obsolete language. It also adjusts the use tax calculation used on the income tax return to report unpaid use tax, lowering the default amount from .08% to .04% of Maine adjusted gross income to account for the increased tax collected by remote sellers and marketplace facilitators.

House Amendment "A" To Committee Amendment "A" (H-521)

This amendment amends the committee amendment. It changes the term "gross revenue" to "gross sales" in a provision designating persons who are required to register. It changes a subsection headnote to better reflect the substance of the subsection. It provides that a marketplace facilitator is considered a retailer for each sale of tangible personal property or taxable services for delivery in this State, instead of into this State, that the marketplace facilitator facilitates on or through its marketplace.

Enacted Law Summary

Public Law 2019, chapter 441, ensures that persons making sales through physical or electronic marketplaces of

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tangible personal property and taxable services subject to the sales and use tax are subject to the same sales and use tax collection and remittance responsibilities as other sellers.

The law makes the following changes.

1. It enacts definitions and other provisions to require a marketplace facilitator to collect and remit the sales tax on sales of tangible personal property and taxable services facilitated on the marketplace facilitator's marketplace that are delivered into the State.
2. It consolidates the sales tax registration provisions by repealing the recently enacted Maine Revised Statutes, Title 36, section 1951-B and reformatting the provision of law requiring certain persons to register with the State Tax Assessor and collect and remit taxes, including the remote seller registration requirements in the new provision, harmonizing the merged provisions and removing obsolete language.
3. It makes technical changes to sales tax registration and administration provisions to facilitate the application of the sales tax law to marketplace facilitators.
4. It adjusts the use tax calculation used on the income tax return to report unpaid use tax, lowering the default amount from .08% to .04% of Maine adjusted gross income to account for the increased tax collected by remote sellers and marketplace facilitators.

LD 1491 Resolve, To Study Consolidation of Payment of Cost-of-living Tax Credits

RESOLVE 74

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TERRY M VITELLI E	OTP-AM	H-509

This bill replaces the Maine earned income credit under the income tax with the Maine work credit. 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 a state credit for individuals with qualifying children that is approximately equal to 30% of the federal credit and for individuals with no qualifying children that is approximately equal to 100% of the federal credit. The bill 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.

The bill also establishes a working group to study 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.

Committee Amendment "A" (H-509)

This amendment strikes the bill and replaces it with a resolve that retains the provision of the bill that establishes a working group to study and report on 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.

See also LD 104.

Enacted Law Summary

Resolve 2019, chapter 74, establishes a working group appointed by the Associate Commissioner of Tax Policy in the Department of Administrative and Financial Services, bureau of Revenue Services, to study ways to streamline applications for tax credits intended to assist low to middle income taxpayers with the cost of basic necessities and

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to permit administration of those credits as advance consolidated payments. The working group reports to the Joint Standing Committee on Taxation and the Joint Standing Committee on Appropriations and Financial Affairs by February 1, 2020 and the two committees are authorized to submit related bills to the Second Regular Session of the 129th Legislature.

**LD 1520 An Act To Create and Sustain Jobs and Encourage Affordable Housing
 through Development of Cooperatives and Employee-owned Businesses**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N DAUGHTRY M	OTP-AM	S-260

This bill supports employee-owned businesses and cooperatives in the following ways.

1. It excludes from Maine income tax the amount of gain, up to a maximum of \$750,000 recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
2. It excludes from Maine income tax interest from 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.
3. It requires the Department of Economic and Community Development, Office of Business Development to encourage and assist employee-owned businesses by requiring the office to: develop educational programs, including convening an annual conference on employee ownership issues; provide information about employee ownership and technical assistance to retiring business owners, employees of plants threatened with closure and entrepreneurs interested in creating businesses with broadly shared ownership; link Maine businesses 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 Economic and Community Development to give priority to employee-owned businesses, either established or in the process of becoming employee-owned, when providing loans or grants from funds or programs maintained by the department.
5. It requires the Maine Public Employees Retirement System 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 Standing Committee on Innovation, Development, Economic Advancement and Business, which is authorized to report out a bill to the Second Regular Session of the 129th Legislature based on the study and recommendations of the system.

Committee Amendment "A" (S-260)

This amendment requires the Department of Economic and Community Development, Office of Business Development to contract with a nonprofit development organization with relevant expertise to develop and manage the Maine Employee Ownership Center to provide information and programs to assist businesses in the transition to employee or cooperative ownership, rather than requiring the office to provide those services.

The amendment removes requirements that the Department of Administrative and Financial Services, Maine Revenue Services collect specified data and report annually to the Office of Program Evaluation and Government Accountability and that the Maine Public Employees Retirement System study investment of funds in employee-owned businesses.

The amendment also makes changes to facilitate the administration and evaluation of the deductions provided in the

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bill. The amendment also adds appropriations and allocations.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1585	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 & S 7 EMERGENCY
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP	

This bill authorizes 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 Performance Food Group municipal tax increment financing district for the fiscal years 2018-19 and 2019-20.

Enacted Law Summary

Private and Special Law 2019, chapter 7, authorizes 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 Performance Food Group municipal tax increment financing district for the fiscal years 2018-19 and 2019-20.

Private and Special Law 2019, chapter 7 was enacted as an emergency measure effective May 30, 2019.

LD 1586	An Act To Promote Major Food Processing and Manufacturing Facility Expansion and To Create Jobs in Maine	PUBLIC 386 EMERGENCY
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T MARTIN J	OTP-AM	S-228

This bill, modeled on the tax credit for major business headquarters expansions, provides a tax credit to a food processing and manufacturing business that:

1. Is, and has been for the five 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 five 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 two years and then adds 20 more full-time employees, maintaining a total of 60 full-time

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employees for each year after the third year of qualifying for the tax credit. The employees added must be based in the State.

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. The total investment that may be approved for any one business may not exceed \$85,000,000 and the total aggregate investment that may be approved is limited to \$100,000,000. The maximum amount of tax credits that may be received by a business under one construction or expansion project is \$34,000,000.

Committee Amendment "A" (S-228)

This amendment adds an emergency preamble and an emergency clause to the bill. The amendment also adds provisions that change the calculation of the credit, and that facilitate administration of the credit and the review of the credit by the Office of Program Evaluation and Government Accountability under the tax expenditure laws.

Enacted Law Summary

Public Law 2019, chapter 386 provides an income tax credit to a food processing and manufacturing business that:

1. Has been headquartered in this State for the five years prior to application;
2. Pays at least 75% of its employees a salary that exceeds the most recent annual per capita personal income for the county in which the facility that is the subject of the application is located;
3. 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
4. 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 two years and then adds 20 more full-time employees, maintaining a total of 60 full-time employees for each year after the third year of qualifying for the tax credit. The employees added must be based in the State.

A business that qualifies is allowed a refundable tax credit equal to 1.8% of the amount of the qualified investment each tax year for 20 years. The total investment that may be approved for any one business may not exceed \$85,000,000 and the total aggregate investment that may be approved is limited to \$100,000,000. The maximum amount of tax credits that may be received by a business under one construction or expansion project is \$34,000,000.

A certified applicant, the Commissioner of Economic and Community Development and the State Tax Assessor are required to submit annual reports regarding the credit, and the credit is subject to review by the Office of Program Evaluation and Government Accountability under the tax expenditure review laws.

Public Law 2019, chapter 386 was enacted as an emergency measure effective June 19, 2019.

**LD 1597 An Act To Provide a Sales Tax Exemption for Purchases Made by
Nonprofit Youth Camps**

**HELD BY
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAMPSON H	OTP-AM ONTP	H-381

This bill provides a sales tax exemption for purchases made by nonprofit organizations that operate seasonal campgrounds in Maine.

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Committee Amendment "A" (H-381)

This amendment provides that the sales tax exemption applies to nonprofit youth camps that are licensed by the Department of Health and Human Services and are entitled to a property tax exemption. The amendment also adds an appropriations and allocations section.

LD 1608 An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D NADEAU C	OTP-AM	S-168

This bill provides an exemption from the sales and use tax for trailers that are purchased in the State but then driven or transported outside the State immediately upon delivery.

Committee Amendment "A" (S-168)

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1643 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2019-20 **PUBLIC 212
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-326

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. The municipal cost components constitute the property tax for the unorganized territory.

Committee Amendment "A" (H-326)

This amendment incorporates a fiscal note.

Enacted Law Summary

Public Law 2019, chapter 212, establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid by a municipality. The municipal cost components constitute the basis for the property tax in the unorganized territory.

Public Law 2019, chapter 212, was enacted as an emergency measure effective June 6, 2019.

LD 1645 An Act To Create Affordable Workforce and Senior Housing and Preserve Affordable Rural Housing **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R POULIOT M	OTP-AM	H-481

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This bill creates a refundable income tax credit allocated by the Maine State Housing Authority for affordable housing projects. The credit is equal to 100% of the federal credit for a qualified Maine project or 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. MSHA may allocate up to \$20,000,000 in credits each year 2021 to 2024. Ten percent 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. In addition, 30% of the credit allocated to new housing units is targeted for seniors and 20% is targeted for rural areas. The credit is subject to reporting requirements and a process for tax expenditure review by the Office of Program Evaluation and Government Accountability.

Committee Amendment "A" (H-481)

This amendment makes several changes to the procedure for administration of the credit for affordable housing to appropriately reflect the most effective responsibilities of the Maine State Housing Authority and the Department of Administrative and Financial Services, Maine Revenue Services and requires the authority to adopt routine technical rules necessary for administration of the credit. The amendment also removes the date for a report by the Office of Program Evaluation and Government Accountability.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 1647	An Act To Provide Tax Fairness to Maine's Middle Class and Working Families	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S CHIPMAN B		

This bill, for tax years beginning on or after January 1, 2020, requires payment of a tax equalization assessment if a tax family has an expanded income of at least \$250,000 for a tax family filing as a single individual, \$325,000 for a tax family filing as a head of a household or \$400,000 for a tax family filing a married joint return or filing a joint return as a surviving spouse, and an 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. 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, the sum of which is multiplied by a tax family's expanded income.

This bill also provides the following tax benefits.

1. For property tax years beginning on or after April 1, 2020, the bill increases the total amount of the Maine resident homestead property tax exemption by \$5,000 to \$25,000 of the just value of the homestead.
2. For income tax years beginning on or after January 1, 2020, this bill increases the earned income tax credit from 5% of the federal earned income tax credit to 10% of the federal earned income tax credit.
3. For income tax years beginning on or after January 1, 2019, this bill expands benefits under the property tax fairness credit by reducing from 6% to 5% the eligibility threshold percentage of property taxes, or rent constituting property taxes, compared to household income.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

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LD 1652 An Act To Make Technical Changes to the Taxation of Marijuana

**PUBLIC 231
EMERGENCY**

Sponsor(s)

TIPPING R

Committee Report

OTP

Amendments Adopted

This bill does the following.

Part A:

1. Authorizes the Department of Administrative and Financial Services to deny, suspend or revoke an adult use marijuana establishment license for failure to cooperate with Maine Revenue Services 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 three tax years to six 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.

Part B moves the adult use marijuana excise tax from Title 28-B to Title 36. In addition, Part B:

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 excise tax laws;
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
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.

Enacted Law Summary

Public Law 2019, chapter 231, does the following.

Part A:

1. Authorizes the Department of Administrative and Financial Services to deny, suspend or revoke an adult use marijuana establishment license for failure to cooperate with Maine Revenue Services in the payment of a final tax liability;

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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 three tax years to six 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.

Part B moves the adult use marijuana excise tax from Title 28-B to Title 36. In addition, Part B:

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 excise tax laws;
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
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.

Public Law 2019, chapter 231 was enacted as an emergency measure effective June 7, 2019.

**LD 1671 An Act To Amend the Laws Governing the Maine Capital Investment
Credit To Ensure Fairness for Maine Businesses and To Reduce Taxes
on Lower-income Working Families**

PUBLIC 527

Sponsor(s)

TIPPING R

Committee Report

OTP-AM

Amendments Adopted

H-623

This bill is a concept draft pursuant to Joint Rule 208 that proposes to amend the Maine capital investment credit to ensure that Maine businesses benefit to the same extent as out-of-state businesses.

Committee Amendment "A" (H-623)

This amendment replaces the concept draft with the following changes to the income tax laws for tax years beginning on or after January 1, 2020.

Part A makes changes to the Maine capital investment credit and related subtraction modification provisions to provide greater fairness in the treatment of Maine businesses compared to out-of-state businesses.

Part B expands the earned income tax credit to individuals who are 18 to 24 years of age and have no qualifying children, increases the credit from 5% to 25% of the federal earned income tax credit for individuals with no qualifying children and 12% of the federal earned income tax credit for all other eligible individuals and requires

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employers to post a notice provided by the Department of Labor, Bureau of Labor Standards regarding the availability of the earned income credit.

Enacted Law Summary

Public Law 2019, chapter 527 makes the following changes to the income tax laws for tax years beginning on or after January 1, 2020.

Part A makes changes to the Maine capital investment credit and related subtraction modification provisions to provide greater fairness in the treatment of Maine businesses compared to out-of-state businesses.

Part B expands the earned income tax credit to individuals who are 18 to 24 years of age and have no qualifying children, increases the credit from 5% to 25% of the federal earned income tax credit for individuals with no qualifying children and 12% of the federal earned income tax credit for all other eligible individuals and requires employers to post a notice provided by the Department of Labor, Bureau of Labor Standards regarding the availability of the earned income credit.

LD 1698 **An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts**

**HELD BY
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R JACKSON T	OTP-AM OTP-AM	H-552

This bill provides an income tax credit for the production of renewable chemicals by the conversion of renewable biomass from the forest, farms, the sea or solid waste. The credit is equal to 7¢ per pound of renewable chemical produced in the State, 9¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that the contractors hired or retained by a landowner to harvest renewable biomass used in production of the renewable chemicals are third-party certified by the Northeast Master Logger program or successor program and at least 50% of the contractors' employees are residents of the United States or 12¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that the contractors hired or retained by a landowner to harvest renewable biomass used in such production are third-party certified by the Northeast Master Logger program and at least 75% of the contractors' employees are residents of the United States. Renewable chemicals are defined to include chemicals, polymers, plastics and formulated products, and to exclude substances used for food, feed or fuel, with limited exceptions.

The bill also reinstates the tax credit for commercial production and use of biofuels.

Committee Amendment "A" (H-552)

This amendment, which is the majority report of the committee, includes a provision permitting the Department of Administrative and Financial Services, Maine Revenue Services to provide to the Department of Economic and Community Development information necessary for administration of the renewable chemicals tax credit and strikes language that would create an overlap of the renewable chemicals tax credit and the credit for the commercial production and use of biofuels.

Committee Amendment "B" (H-553)

This amendment, which is the minority report of the committee, includes a provision permitting the Department of Administrative and Financial Services, Maine Revenue Services to provide to the Department of Economic and Community Development information necessary for administration of the renewable chemicals tax credit and strikes language that would create an overlap of the renewable chemicals tax credit and the credit

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for the commercial production and use of biofuels. The amendment also removes provisions establishing different tiers of credit calculation if a taxpayer uses contractors that are third-party certified by a northeast master logger program and has employees at least 50% of whom or 75% of whom are residents of the United States.

This amendment was not adopted.

LD 1713 An Act To Return Funds to Maine Property Tax Payers

PUBLIC 448

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GIDEON S JACKSON T	OTP-AM ONTP	H-620

This bill changes the name and purpose of the Tax Relief Fund for Maine Residents which was originally established to provide income tax reductions. Under this bill the fund is renamed the Property Tax Relief Fund for Maine Residents to be used to provide property tax relief payments directly to residents of this State whose residence qualifies for an exemption under the Maine homestead property tax exemption. 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.

Committee Amendment "A" (H-620)

This amendment, which is the majority report of the committee, changes the responsibility for calculating property tax relief payments from the State Tax Assessor to the Treasurer of State and changes dates for steps in the process of calculating and making relief payments. The amendment also provides that the Treasurer of State's costs in administering relief payments and in making state payments to municipalities for mandate costs are also paid from the Property Tax Relief Fund for Maine Residents and it adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2019, chapter 448, changes the name and purpose of the Tax Relief Fund for Maine Residents which was originally established to provide income tax reductions. Under this law the fund is renamed the Property Tax Relief Fund for Maine Residents to be used to provide property tax relief payments directly to residents of this State whose residence qualifies for an exemption under the Maine homestead property tax exemption. 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. The Treasurer of State's costs in administering relief payments and in making state payments to municipalities for mandate costs are also paid from the Property Tax Relief Fund for Maine Residents.

LD 1718 An Act To Exempt Purchases by Pet Food Pantries from Sales Tax

**HELD BY
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E BICKFORD B	OTP-AM	S-241

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This bill provides a sales tax exemption for purchases made by nonprofit organizations that provide pet food and supplies for little or no charge to low-income owners of pets.

Committee Amendment "A" (S-241)

This amendment provides that, in order to be eligible for a sales tax exemption, an incorporated nonprofit organization must be organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets. The amendment also adds an appropriations and allocations section.

LD 1739 **Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory**

RESOLVE 68

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP-AM	H-440

This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired by the State for nonpayment of property taxes.

Committee Amendment "A" (H-440)

This amendment incorporates a fiscal note.

Enacted Law Summary

Resolve 2019, chapter 68, authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired by the State for nonpayment of property taxes.

LD 1744 **An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes**

**PUBLIC 233
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP	

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.

Enacted Law Summary

Public Law 2019, chapter 233, 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.

Public Law 2019, chapter 233, was enacted as an emergency measure effective June 7, 2019.

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LD 1798 An Act To Amend the Maine Tax Laws

PUBLIC 401

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP-AM	H-596 H-598 TIPPING R

This bill makes the following changes to the tax laws.

Part A expands the allowed use of a facsimile signature of the State Tax Assessor to any use by the assessor or at the assessor's direction. In addition, in order to make changes to the property tax law of Maine, Part A:

1. Aligns the delinquent property tax interest rate in the unorganized territory with that of municipalities;
2. Simplifies the notice and appeals processes for municipal valuations;
3. Allows the adjustment of prior years' state valuations for purposes of calculating current and ongoing state education payments to a municipality. Municipalities may appeal adverse decisions to the State Board of Property Tax Review;
4. Requires that the municipal assessor be notified prior to the commitment of taxes for an owner of a partial interest in property to be assessed on the partial interest only;
5. Removes the requirement for benevolent and charitable institutions to be incorporated in Maine in order to qualify for property tax exemption;
6. Clarifies when the alternative municipal tax lien foreclosure sales process is required;
7. Removes the provision allowing the \$4,000 exemption for the legally blind to be apportioned among multiple jurisdictions. Instead, the exemption may be claimed only in the taxpayer's place of residence;
8. Eliminates photocopiers and postage machines from property eligible for tax exemption under the business equipment tax exemption;
9. Removes the provision limiting the aggregate total acres that may be classified in the farm and open space tax program to 15,000 for a single person;
10. Aligns the definition of delinquent taxes in the unorganized territory with that of municipalities where taxes are delinquent if not paid by the due date;
11. Clarifies the definitions of "mobile home" and "camper trailer" to align the definitions with those used in property tax and sales tax law;
12. Clarifies that the credit for excise tax previously paid and the model year adjustment for certain vehicles is limited to instances when the previously paid excise tax is the Maine excise tax; and
13. Defines nominal value as less than 20% of the assessed value for determining when the market value for a property should be used for the purposes of calculating the real estate transfer tax.

Part B, in order to make changes to the sales tax law in the Maine Revised Statutes:

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1. Specifies that camper trailers and motor homes must be rented as tangible personal property and not as living quarters for the purposes of the exclusion from the definition of retail sale;
2. Aligns the tax treatment of box trucks purchased for short-term rental with that of automobiles, pickup trucks and vans when the trucks are under 26,000 pounds gross vehicle weight by taxing box trucks rental at the same 10% rate and excluding their purchase from sales tax when they are purchased for rental;
3. Provides equity among sales through vending machines by repealing the inclusion of sales by a person primarily engaged in the resale of products through vending machines and also repealing the exemption for sales made through a vending machine;
4. Adds oxygen delivery equipment to the sales tax exemption for positive airway pressure equipment;
5. Reorganizes Title 36, section 1811, which imposes the Maine sales tax, for clarity, moves the provisions regarding the valuation of automobile rentals to the definition of sale price and moves the provision regarding the sourcing of products transferred electronically to a new sourcing provision;
6. Repeals the registration requirement for a person who rents or leases space to more than four persons at one location for less than a 12-month period for the purpose of making retail sales;
7. Consolidates the sales tax registration provisions by repealing Title 36, section 1951-B and including the remote seller registration requirements in section 1754-B, except for the expedited route to challenge the remote seller registration requirements due to the United States Supreme Court decision in *South Dakota v. Wayfair, Inc.*;
8. Removes the "provisional" resale certificate status for initial resale certificates and makes all resale certificates valid for a more similar time period;
9. Clarifies that beer and liquor prepared by a manufacturer and sold for on-premises consumption is taxed at the same 8% rate as beer and liquor sold for on-premises consumption by other establishments;
10. Adds retailers registered voluntarily under Title 36, section 1756 to the list of registered retailers able to claim a credit of tax paid on purchases for resale;
11. Enacts a new provision for the sourcing of the sale of tangible personal property, products transferred electronically and services. The new provision aligns Maine's practice with that of the Streamlined Sales and Use Tax Agreement and codifies Maine's existing delivery rule;
12. Consolidates and aligns two similar use tax exemptions for the donation of merchandise to tax-exempt organizations; and
13. Terminates and repeals the rental vehicle excise tax reimbursement for excise tax paid after June 30, 2019.

In order to make changes to the income tax laws of Maine, Part C:

1. Repeals the underutilized Maine fishery infrastructure investment tax credit program;
2. Limits calculation of the prior year's sales factor, for purposes of apportioning to the State the gain or loss on the sale of a partnership interest, to those items that represent the partnership's business activity in the State and corrects a reference;
3. Allows nonresident taxpayers to elect to recognize the entire gain or loss from an installment sale of real or tangible property in the taxable year of the transfer or in a subsequent year to simplify the filing process for nonresident individuals;

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4. Clarifies the corporate income tax calculation for apportionment to the State with respect to the sale of a partnership interest by replacing references to "gains or losses" with references to "gross receipts." This change creates internal consistency with the calculation of the corporate apportionment factor that is based on the gross receipts of the taxpayer;
5. Removes the apportionment calculation for mutual fund service providers due to lack of use;
6. Clarifies that active duty service members who are domiciled in Maine remain eligible for the educational opportunity tax credit if assigned to active military duty outside Maine, as long as they otherwise qualify;
7. Prohibits the payment of interest on refunds issued relative to the new markets capital investment tax credit when they are delayed due to the fiscal year spending cap on the credit;
8. Allows, at the discretion of the State Tax Assessor, fiduciaries, agents and other persons who act as fiscal agents for federal income tax purposes on behalf of employers to act in similar fashion for Maine income tax withholding purposes. Those fiduciaries, agents and persons are subject to the same requirements and liabilities as imposed on client employers;
9. Replaces provisions subjecting the lowest individual income tax brackets and the highest individual income tax brackets to different annual cost-of-living adjustments with a provision that uses the same cost-of-living adjustment calculation for both brackets; and
10. Repeals a Department of Administrative and Financial Services, Maine Revenue Services reporting requirement enacted by "An Act To Enhance Access to Affordable Health Care" and a transfer to the MaineCare Stabilization Fund based on the report.

Part D merges the changes made to the income tax credit for major business headquarters expansions made by two different laws enacted in the 128th Legislature, Second Regular Session, Public Law 2017, chapter 405, "An Act To Improve the Effectiveness of the Major Business Headquarters Expansion Tax Credit" and Public Law 2017, chapter 375, "An Act To Amend the Maine Tax Laws."

Part E allows the disclosure of confidential tax information to an authorized representative of the Public Utilities Commission for use in the administration and oversight of the E-9-1-1 funding, the state universal service fund and the telecommunications education access fund.

Committee Amendment "A" (H-596)

This amendment makes the following changes to the bill.

1. It requires an owner of a partial interest in property requesting a separate assessment to notify the assessor by April 1st of the year in which the separate assessment is requested.
2. It strikes from the bill a provision removing the 15,000-acre limitation on the amount of land that a single taxpayer may have classified under the farm and open space tax program.
3. It strikes from the bill a provision that would remove the requirement that benevolent and charitable organizations be incorporated in Maine to qualify for a property tax exemption.
4. It removes from the bill provisions that would change the sales tax treatment of box trucks purchased for short-term rental.
5. It strikes from the bill a provision terminating and repealing the rental vehicle excise tax reimbursement.

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6. It makes technical changes to clarify several provisions in the bill.

House Amendment "A" (H-598)

This amendment removes from the bill the provisions that:

1. Eliminate photocopiers and postage machines from property eligible for tax exemption under the business equipment tax exemption;
2. Remove from the definition of "retail sale" the sale of products for internal human consumption to certain persons for resale through vending machines;
3. Repeal the exemption from sales and use tax of products sold through vending machines by certain persons; and
4. Replace provisions subjecting the lowest individual income tax brackets and the highest individual income tax brackets to different annual cost-of-living adjustments with a provision that uses the same cost-of-living adjustment calculation for both brackets.

This amendment also changes the application sections for Parts A and B of the bill to reflect the removal of sections pursuant to this amendment.

Enacted Law Summary

Public Law 2019, chapter 401 makes the following changes to the tax laws.

Part A expands the allowed use of a facsimile signature of the State Tax Assessor to any use by the assessor or at the assessor's direction. In addition, in order to make changes to the property tax law of Maine, Part A:

1. Aligns the delinquent property tax interest rate in the unorganized territory with that of municipalities;
2. Simplifies the notice and appeals processes for municipal valuations;
3. Allows the adjustment of prior years' state valuations for purposes of calculating current and ongoing state education payments to a municipality. Municipalities may appeal adverse decisions to the State Board of Property Tax Review;
4. Requires that the municipal assessor be notified prior to the commitment of taxes for an owner of a partial interest in property to be assessed on the partial interest only;
5. Removes the requirement for benevolent and charitable institutions to be incorporated in Maine in order to qualify for property tax exemption;
6. Clarifies when the alternative municipal tax lien foreclosure sales process is required;
7. Removes the provision allowing the \$4,000 exemption for the legally blind to be apportioned among multiple jurisdictions. Instead, the exemption may be claimed only in the taxpayer's place of residence;
8. Aligns the definition of delinquent taxes in the unorganized territory with that of municipalities where taxes are delinquent if not paid by the due date;
9. Clarifies the definitions of "mobile home" and "camper trailer" to align the definitions with those used in property tax and sales tax law;

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10. Clarifies that the credit for excise tax previously paid and the model year adjustment for certain vehicles is limited to instances when the previously paid excise tax is the Maine excise tax; and

11. Defines nominal value as less than 20% of the assessed value for determining when the market value for a property should be used for the purposes of calculating the real estate transfer tax.

Part B, in order to make changes to the sales tax law in the Maine Revised Statutes:

1. Specifies that camper trailers and motor homes must be rented as tangible personal property and not as living quarters for the purposes of the exclusion from the definition of retail sale;
2. Adds oxygen delivery equipment to the sales tax exemption for positive airway pressure equipment;
3. Reorganizes Title 36, section 1811, which imposes the Maine sales tax, for clarity, moves the provisions regarding the valuation of automobile rentals to the definition of sale price and moves the provision regarding the sourcing of products transferred electronically to a new sourcing provision;
4. Repeals the registration requirement for a person who rents or leases space to more than four sons at one location for less than a 12-month period for the purpose of making retail sales;
5. Consolidates the sales tax registration provisions by repealing Title 36, section 1951-B and including the remote seller registration requirements in section 1754-B, except for the expedited route to challenge the remote seller registration requirements due to the United States Supreme Court decision in *South Dakota v. Wayfair, Inc*
6. Removes the "provisional" resale certificate status for initial resale certificates and makes all resale certificates valid for a more similar time period;
7. Clarifies that beer and liquor prepared by a manufacturer and sold for on-premises consumption is taxed at the same 8% rate as beer and liquor sold for on-premises consumption by other establishments;
8. Adds retailers registered voluntarily under Title 36, section 1756 to the list of registered retailers able to claim a credit of tax paid on purchases for resale;
9. Enacts a new provision for the sourcing of the sale of tangible personal property, products transferred electronically and services. The new provision aligns Maine's practice with that of the Streamlined Sales and Use Tax Agreement and codifies Maine's existing delivery rule; and
10. Consolidates and aligns two similar use tax exemptions for the donation of merchandise to tax-exempt organizations.

In order to make changes to the income tax laws of Maine, Part C:

1. Repeals the underutilized Maine fishery infrastructure investment tax credit program;
2. Limits calculation of the prior year's sales factor, for purposes of apportioning to the State the gain or loss on the sale of a partnership interest, to those items that represent the partnership's business activity in the State and corrects a reference;
3. Allows nonresident taxpayers to elect to recognize the entire gain or loss from an installment sale of real or tangible property in the taxable year of the transfer or in a subsequent year to simplify the filing process for nonresident individuals;
4. Clarifies the corporate income tax calculation for apportionment to the State with respect to the sale of a

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partnership interest by replacing references to "gains or losses" with references to "gross receipts." This change creates internal consistency with the calculation of the corporate apportionment factor that is based on the gross receipts of the taxpayer;

5. Removes the apportionment calculation for mutual fund service providers due to lack of use;
6. Clarifies that active duty service members who are domiciled in Maine remain eligible for the educational opportunity tax credit if assigned to active military duty outside Maine, as long as they otherwise qualify;
7. Prohibits the payment of interest on refunds issued relative to the new markets capital investment tax credit when they are delayed due to the fiscal year spending cap on the credit;
8. Allows, at the discretion of the State Tax Assessor, fiduciaries, agents and other persons who act as fiscal agents for federal income tax purposes on behalf of employers to act in similar fashion for Maine income tax withholding purposes. Those fiduciaries, agents and persons are subject to the same requirements and liabilities as imposed on client employers;
9. Replaces provisions subjecting the lowest individual income tax brackets and the highest individual income tax brackets to different annual cost-of-living adjustments with a provision that uses the same cost-of-living adjustment calculation for both brackets; and
10. Repeals a Department of Administrative and Financial Services, Maine Revenue Services reporting requirement enacted by "An Act To Enhance Access to Affordable Health Care" and a transfer to the MaineCare Stabilization Fund based on the report.

Part D merges the changes made to the income tax credit for major business headquarters expansions made by two different laws enacted in the 128th Legislature, Second Regular Session, Public Law 2017, chapter 405, "An Act To Improve the Effectiveness of the Major Business Headquarters Expansion Tax Credit" and Public Law 2017, chapter 375, "An Act To Amend the Maine Tax Laws."

Part E allows the disclosure of confidential tax information to an authorized representative of the Public Utilities Commission for use in the administration and oversight of the E-9-1-1 funding, the state universal service fund and the telecommunications education access fund.

**LD 1808 An Act To Provide a Sales Tax Exemption for Certain Nonprofit
Charitable Organizations**

**HELD BY
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART T JACKSON T	OTP-AM	H-599

This bill provides a sales tax exemption for sales made to a nonprofit community-based worldwide charitable organization that provides, using private funding, financial support to other nonprofit charitable organizations at the community level.

Committee Amendment "A" (H-599)

This amendment adds an appropriations and allocations section.

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LD 1817 An Act To Make Technical Changes to the Maine Tax Laws

PUBLIC 379

Sponsor(s)

TIPPING R

Committee Report

OTP

Amendments Adopted

This bill makes a number of technical changes to the Maine tax laws.

Part A:

1. Makes clerical corrections to outdated language and gender references;
2. Adds a cross-reference to the Maine Revised Statutes, Title 36, chapter 105 and corrects a headnote;
3. Corrects a mathematical error in which 4% was used instead of four percentage points;
4. Clarifies the use of the related terms "eligible business equipment" and "qualified property" and amends the definition of "eligible business equipment";
5. Corrects a reference to the preceding tax year;
6. Eliminates the penalty for transfer of land from farmland to timberland to match current practice and all other transfers between current use programs; and
7. Corrects the time period used for determining when cogeneration facility property is eligible for reimbursement to include the most current available cogeneration data.

Part B:

1. Removes the definitions of "storage" and "storage or use" and expands the definition of "use" to improve the clarity and logic of these terms;
2. Clarifies the sales and use tax exemption for libraries and organizations that support libraries;
3. Removes obsolete language related to the previously repealed indexing of the gasoline excise tax and the special fuel excise tax rates and clarifies the current applicable rates; and
4. Repeals the annual licensing requirements for distributors of cigarettes and tobacco products.

Part C:

1. Repeals a redundant confidentiality exemption for the taxpayer advocate;
2. Clarifies the definition of Maine taxable income;
3. Clarifies that the subtraction modification for Maine Public Employees Retirement System pick-up contributions is allowed for the amount of pick-up contributions that were previously taxed by Maine, not just the amount of pick-up contributions taxed during the previous three years;
4. Clarifies that the increased credit rate applicable to certified qualified rehabilitation expenditures for a certified

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affordable housing project is increased by one percentage point each year the State Tax Assessor is notified by the Maine Historic Preservation Commission and the Maine State Housing Authority that the percentage of certified affordable housing projects is below 30% of the total aggregate square feet of projects eligible for the historic preservation credit. The increased credit rate may not exceed 35%. It further clarifies that the increased credit rate for certified affordable housing projects applies to tax years beginning in the year of notification and to any subsequent tax year;

5. Makes a typographical correction; and
6. Makes clarifying changes to an application clause.

Enacted Law Summary

Public Law 2019, chapter 379, makes a number of technical changes to the Maine tax laws.

Part A:

1. Makes clerical corrections to outdated language and gender references;
2. Adds a cross-reference to the Maine Revised Statutes, Title 36, chapter 105 and corrects a headnote;
3. Corrects a mathematical error in which 4% was used instead of four percentage points;
4. Clarifies the use of the related terms "eligible business equipment" and "qualified property" and amends the definition of "eligible business equipment";
5. Corrects a reference to the preceding tax year;
6. Eliminates the penalty for transfer of land from farmland to timberland to match current practice and all other transfers between current use programs; and
7. Corrects the time period used for determining when cogeneration facility property is eligible for reimbursement to include the most current available cogeneration data.

Part B:

1. Removes the definitions of "storage" and "storage or use" and expands the definition of "use" to improve the clarity and logic of these terms;
2. Clarifies the sales and use tax exemption for libraries and organizations that support libraries;
3. Removes obsolete language related to the previously repealed indexing of the gasoline excise tax and the special fuel excise tax rates and clarifies the current applicable rates; and
4. Repeals the annual licensing requirements for distributors of cigarettes and tobacco products.

Part C:

1. Repeals a redundant confidentiality exemption for the taxpayer advocate;
2. Clarifies the definition of Maine taxable income;
3. Clarifies that the subtraction modification for Maine Public Employees Retirement System pick-up contributions

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is allowed for the amount of pick-up contributions that were previously taxed by Maine, not just the amount of pick-up contributions taxed during the previous three years;

4. Clarifies that the increased credit rate applicable to certified qualified rehabilitation expenditures for a certified affordable housing project is increased by one percentage point each year the State Tax Assessor is notified by the Maine Historic Preservation Commission and the Maine State Housing Authority that the percentage of certified affordable housing projects is below 30% of the total aggregate square feet of projects eligible for the historic preservation credit. The increased credit rate may not exceed 35%. It further clarifies that the increased credit rate for certified affordable housing projects applies to tax years beginning in the year of notification and to any subsequent tax year;

5. Makes a typographical correction; and

6. Makes clarifying changes to an application clause.

**LD 1819 An Act To Harmonize State Income Tax Law and the Centralized
Partnership Audit Rules of the Federal Internal Revenue Code of 1986**

PUBLIC 380

Sponsor(s)

TIPPING R

Committee Report

OTP-AM

Amendments Adopted

H-570

This bill harmonizes Maine law with recent changes in federal law with respect to partnership income tax audits wherein a partnership may be liable for federal income tax, penalties and interest that result from an audit of the partnership. This bill imposes a corresponding partnership state tax liability for increases in tax, penalties and interest that result from a federal audit of the partnership in order to ensure that state income tax revenue is not lost as a result of the federal changes. This bill applies to partnership-level audits of partnerships with respect to taxable years beginning on or after January 1, 2018.

Committee Amendment "A" (H-570)

This amendment incorporates a fiscal note.

Enacted Law Summary

Public Law 2019, chapter 380, harmonizes Maine law with recent changes in federal law with respect to partnership income tax audits wherein a partnership may be liable for federal income tax, penalties and interest that result from an audit of the partnership. This bill imposes a corresponding partnership state tax liability for increases in tax, penalties and interest that result from a federal audit of the partnership in order to ensure that state income tax revenue is not lost as a result of the federal changes. This bill applies to partnership-level audits of partnerships with respect to taxable years beginning on or after January 1, 2018.

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SUBJECT INDEX

Administration of Tax Laws

Enacted

LD 1069	An Act To Amend the Tax Expenditure Review Process	PUBLIC 161
LD 1798	An Act To Amend the Maine Tax Laws	PUBLIC 401
LD 1817	An Act To Make Technical Changes to the Maine Tax Laws	PUBLIC 379
LD 1819	An Act To Harmonize State Income Tax Law and the Centralized Partnership Audit Rules of the Federal Internal Revenue Code of 1986	PUBLIC 380

Not Enacted

LD 957	An Act To Increase the Property Tax Fairness Credit	ONTP
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Income Tax - General

Enacted

LD 1044	An Act To Advance Children's Cancer Research in Maine	PUBLIC 433
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Not Enacted

LD 107	An Act To Lower the Maine Individual Income Tax Incrementally to Zero	ONTP
LD 403	An Act To Prevent Tax Haven Abuse	CARRIED OVER
LD 903	An Act To Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income	CARRIED OVER
LD 958	An Act To Amend the Maine Income Tax Laws	ONTP

LD 1292 An Act To Lower Maine's Individual Income Tax Majority (ONTP) Report

Income Tax Conformity

Enacted

LD 1744 An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes PUBLIC 233 EMERGENCY

Income Tax Credits, Exemptions, Deductions and Incentives

Enacted

LD 1131 Resolve, Directing the Maine State Housing Authority To Study and Report on the Need for Modifications To Make Homes Accessible for Senior Citizens and Persons with Disabilities RESOLVE 50

LD 1491 Resolve, To Study Consolidation of Payment of Cost-of-living Tax Credits RESOLVE 74

LD 1586 An Act To Promote Major Food Processing and Manufacturing Facility Expansion and To Create Jobs in Maine PUBLIC 386 EMERGENCY

LD 1671 An Act To Amend the Laws Governing the Maine Capital Investment Credit To Ensure Fairness for Maine Businesses and To Reduce Taxes on Lower-income Working Families PUBLIC 527

Not Enacted

LD 6 An Act To Amend the Laws Governing the Home Accessibility Tax Credit ONTP

LD 70 An Act To Support the Trades through a Tax Credit for Apprenticeship Programs CARRIED OVER

LD 71 An Act To Reinstate the Income Tax Deduction for Contributions to College Savings Accounts CARRIED OVER

LD 72 An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed CARRIED OVER

LD 73 An Act To Provide an Income Tax Deduction for Certain Student Loan Payments Made Directly to a Lender on Behalf of a Taxpayer CARRIED OVER

LD 104 An Act To Replace the Earned Income Tax Credit with the Maine Work Credit CARRIED OVER

LD 162 An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions CARRIED OVER

LD 276	An Act To Provide Equity in the State Income Tax Deduction for Maine Public Employees Retirement System Pensions	ONTP
LD 393	An Act To Change the Eligibility Requirements for the Property Tax Fairness Credit	ONTP
LD 483	An Act To Improve the Maine Seed Capital Tax Credit Program	ONTP
LD 561	An Act To Exempt from Taxation Certain Out-of-state Pensions	ONTP
LD 604	An Act To Create an Electric Vehicle Tax Credit	ONTP
LD 607	An Act To Provide Equitable Taxation for the Food and Beverage Industry	CARRIED OVER
LD 725	An Act To Provide an Income Tax Credit To Encourage Small Business Hiring	ONTP
LD 887	An Act To Improve the Property Tax Fairness Credit	ONTP
LD 905	An Act To Exempt Long-term Capital Gains from Income Tax for Certain Income Levels	Report B (ONTP)
LD 963	An Act To Exempt Overtime Pay from Individual Income Tax	Died Between Houses
LD 977	An Act To Restore the Super Credit for Substantially Increased Research and Development	CARRIED OVER
LD 1019	An Act To Increase the Maximum Pension Deduction for State Income Tax	CARRIED OVER
LD 1156	An Act To Create the Savings Account Program for Small Businesses	CARRIED OVER
LD 1158	An Act To Provide Property Tax Relief	CARRIED OVER
LD 1163	An Act Regarding Energy, Utilities and Technology	CARRIED OVER
LD 1164	An Act To Improve the Educational Opportunity Tax Credit	CARRIED OVER
LD 1200	An Act To Amend the Maine Seed Capital Tax Credit Program	CARRIED OVER
LD 1256	An Act To Provide a Health Care Preceptor Tax Credit	CARRIED OVER

LD 1265	An Act To Establish a Maine Low-income Housing Tax Credit	ONTP
LD 1305	An Act To Encourage Savings through Contributions to Family Development Accounts	Report B (ONTP)
LD 1424	An Act To Create an Access to Justice Income Tax Credit	CARRIED OVER
LD 1520	An Act To Create and Sustain Jobs and Encourage Affordable Housing through Development of Cooperatives and Employee-owned Businesses	CARRIED OVER
LD 1645	An Act To Create Affordable Workforce and Senior Housing and Preserve Affordable Rural Housing	CARRIED OVR
LD 1647	An Act To Provide Tax Fairness to Maine's Middle Class and Working Families	CARRIED OVER
LD 1698	An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts	HELD BY GOVERNOR

Motor Vehicle Excise Tax

Enacted

LD 873	An Act To Clarify the Application of the Motor Vehicle Excise Tax to Water Well Drilling Equipment	PUBLIC 430
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Not Enacted

LD 118	An Act To Direct Vehicle Excise Tax Revenue for Local Transportation Infrastructure	ONTP
LD 119	An Act To Base the Motor Vehicle Excise Tax on the Sale Price	ONTP
LD 1031	An Act To Base the Vehicle and Mobile Home Excise Tax on Actual Value	ONTP

Multiple Taxes

Enacted

LD 1652	An Act To Make Technical Changes to the Taxation of Marijuana	PUBLIC 231 EMERGENCY
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Not Enacted

LD 35	An Act To Exempt All Disabled Veterans in Maine from All Income Tax and To Increase Their Homestead Exemption to \$50,000	ONTP
LD 85	An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices	CARRIED OVER
LD 731	An Act To Amend the Maine Tax Laws	CARRIED OVER
LD 989	An Act To Improve Maine's Tax Laws	CARRIED OVER

Municipal Revenue Sharing

Not Enacted

LD 133	An Act To Fully Restore State-Municipal Revenue Sharing for Fiscal Year 2018-19	CARRIED OVER
LD 193	An Act To Fully Fund and Restore State-Municipal Revenue Sharing	CARRIED OVER
LD 444	An Act To Fully Restore Revenue Sharing	ONTP

Other Taxes

Enacted

LD 892	Resolve, To Require the Examination of Alternatives to the Service Provider Tax	RESOLVE 81
LD 1028	An Act To Prevent and Reduce Tobacco Use with Adequate Funding and by Equalizing the Taxes on Tobacco Products and To Improve Public Health	PUBLIC 530

Not Enacted

LD 268	An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States	HELD BY GOVERNOR
LD 335	An Act To Require the State To Distribute 12 Percent of Adult Use Marijuana Retail Sales and Excise Tax Revenue to Generating Municipalities	CARRIED OVER
LD 420	An Act To Amend the Maine Exclusion Amount in the Estate Tax	CARRIED OVER
LD 465	An Act To Eliminate the Service Provider Tax on Services Covered by Medicaid	ONTP

LD 518	An Act To Change the Exclusion Amount under the Estate Tax	ONTP
LD 625	An Act To Phase Out the Insurance Premium Tax on Annuities	CARRIED OVER
LD 1070	An Act To Reduce the Number of Domestic Assaults and Suicides By Increasing the Tax on Alcohol	ONTP
LD 1074	An Act To Establish a Tax on Water Extracted for Bottling in Order To Secure the Economic Future of Rural Maine	Majority (ONTP) Report
LD 1076	An Act To Account for Market Change in the Adult Use Marijuana Excise Tax	CARRIED OVER
LD 1322	An Act To Provide Equitable Tax Treatment to State-licensed Marijuana Businesses	CARRIED OVER
LD 1362	An Act To Fund Opioid Treatment by Establishing an Excise Tax on Manufacturers of Opioids	CARRIED OVER

Property Tax - Current Use

Not Enacted

LD 452	An Act To Change the Penalty When Land under the Maine Tree Growth Tax Law Is Transferred	ONTP
LD 1150	An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access	CARRIED OVER

Property Tax - Exemptions

Enacted

LD 1430	An Act To Create Tax Equity among Renewable Energy Investments	PUBLIC 440
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Not Enacted

LD 77	An Act To Increase the Homestead Property Tax Exemption to \$50,000 for Persons 75 Years of Age and Older	ONTP
LD 146	An Act To Make the Assessment and Collection of Personal Property Taxes Optional for Municipalities	ONTP
LD 163	An Act Regarding Property Tax Relief for Veterans	CARRIED OVER

LD 164	An Act To Reduce Property Taxes for Maine Residents	CARRIED OVER
LD 241	An Act To Adjust the Personal Property Tax Exemption for Farm Machinery	CARRIED OVER
LD 560	An Act To Improve Access to Property Tax Exemptions for New Homeowners	CARRIED OVER
LD 564	An Act To Encourage the Installation of Solar Panels on Residential Property	CARRIED OVER
LD 824	An Act To Allow a Municipality To Opt Out of Collecting Personal Property and Business Equipment Taxes	ONTP
LD 837	An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age	ONTP
LD 922	An Act To Provide a Property Tax Exemption for Renewable Energy Fixtures	ONTP
LD 1042	An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings	CARRIED OVER
LD 1172	An Act To Provide Direct Property Tax Relief to Homeowners by Increasing the Homestead Exemption	ONTP
LD 1191	An Act To Exempt Solar Energy Equipment from Property Tax	ONTP
LD 1194	An Act To Increase Property Tax Relief for Veterans	CARRIED OVER
LD 1234	An Act To Expand the Value of the Homestead Exemption to \$25,000 and State Reimbursement to 70 Percent of Lost Property Tax Revenue	CARRIED OVER
LD 1271	An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax	ONTP
LD 1326	An Act To Expand Eligibility for the Veterans' Property Tax Exemption	ONTP
LD 1448	An Act To Expand the Homestead Exemption for Disabled Veterans	ONTP

Property Tax - General

Not Enacted

LD 448	An Act Repealing Tax Lien Foreclosure Requirements	ONTP
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LD 451 An Act To Repeal the Recently Enacted Changes to the Law Governing Tax Lien Foreclosure CARRIED OVER

Property Tax Relief Programs

Enacted

LD 62 An Act To Enhance the Senior Volunteer Benefit Program PUBLIC 36

LD 811 An Act To Provide Additional Flexibility in the Municipal Property Tax Assistance Programs for Seniors PUBLIC 159

LD 1713 An Act To Return Funds to Maine Property Tax Payers PUBLIC 448

Not Enacted

LD 529 An Act To Provide Property Tax Deferral for Senior Citizens and People with Physical Disabilities ONTP

LD 645 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 ONTP

LD 669 An Act To Provide Housing Relief for Maine Families and Seniors ONTP

LD 682 An Act To Provide Seniors and Certain Persons with Disabilities Assistance with Property Taxes through the Deferral of Those Taxes CARRIED OVER

LD 751 An Act To Reinstate the State Property Tax Deferral Program for Maine's Senior Homeowners ONTP

LD 812 An Act To Stabilize Property Taxes on Homesteads of Individuals Who Are 66 Years of Age or Older ONTP

LD 1145 An Act To Improve the Law Authorizing Municipalities To Allow Low-income Seniors To Defer Payment of Municipal Property Taxes ONTP

LD 1242 An Act To Reinstigate the State Property Tax Deferral Program for Seniors Leave to Withdraw Pursuant to Joint Rule 310

LD 1443 An Act To Enact the Senior Property Tax Reimbursement Act ONTP

Sales and Use Tax

Enacted

LD 1452 **An Act Regarding the Collection of the Sales and Use Tax by Marketplace Facilitators** **PUBLIC 441**

Not Enacted

LD 43 **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** **ONTP**

LD 65 **An Act To Allow Municipalities To Impose a Seasonal or Year-round Local Option Sales Tax** **ONTP**

LD 156 **An Act To Allow Regional Service Center Municipalities To Assess an Additional One Percent Sales Tax for Infrastructure Costs** **ONTP**

LD 609 **An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales** **CARRIED OVER**

LD 839 **An Act To Increase Funding for Multimodal Transportation** **Veto Sustained**

LD 1110 **An Act To Establish a Local Option for Sales Tax** **ONTP**

LD 1254 **An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding To Treat Opioid Use Disorder** **CARRIED OVER**

LD 1278 **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** **ONTP**

Sales Tax Exemptions, Exclusions or Refunds

Enacted

LD 86 **An Act To Provide That Persons Who Produce Maple Syrup and Honey Commercially Are Eligible for the Sales Tax Refund and Exemption for Commercial Agricultural Production** **PUBLIC 7
EMERGENCY**

Not Enacted

LD 22 **An Act To Exempt from Taxation Sales to Small Nonprofit Organizations** **ONTP**

LD 124 **An Act To Exempt from Sales Tax Certain Watercraft Purchased by an Incorporated Nonprofit Transportation Company That Provides Transportation of Emergency Medical Services Patients from an Island to the Mainland** **Died on Adjournment**

LD 286	An Act To Provide a Sales Tax Exemption for Menstrual Products	CARRIED OVER
LD 424	An Act To Provide a Sales Tax Exemption for Baling Twine, Net and Wrapping for Hay	CARRIED OVER
LD 660	An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax	CARRIED OVER
LD 709	An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax	CARRIED OVER
LD 726	An Act To Make Sales to Area Agencies on Aging Tax-exempt	CARRIED OVER
LD 732	An Act To Provide a Sales Tax Exemption for Nonprofit Career and Technical Student Organizations	CARRIED OVER
LD 863	An Act To Exempt Diapering Products from Sales Tax	CARRIED OVER
LD 1238	An Act To Exempt Certain Print Publications from Sales Tax	CARRIED OVER
LD 1446	An Act To Remove Sales and Use Taxation on Gold and Silver Coins	Majority (ONTP) Report
LD 1597	An Act To Provide a Sales Tax Exemption for Purchases Made by Nonprofit Youth Camps	HELD BY GOVERNOR
LD 1608	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	CARRIED OVER
LD 1718	An Act To Exempt Purchases by Pet Food Pantries from Sales Tax	HELD BY GOVERNOR
LD 1808	An Act To Provide a Sales Tax Exemption for Certain Nonprofit Charitable Organizations	HELD BY GOVERNOR

Tax Increment Financing

Enacted

LD 854	An Act To Improve Tax Incentives for Broadband Service	PUBLIC 260
LD 1122	An Act To Expand Tax Increment Financing	PUBLIC 148
LD 1585	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	P & S 7 EMERGENCY

