

Shaded LDs have been voted on by the Committee

1/25/21

**TAXATION COMMITTEE**

MLS 1/26/2021 2:03 PM

**130<sup>th</sup> LEGISLATURE**

**1st REG SESSION**

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY19	FY120
23	175			Pouliot	An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans	This bill reinstates and increases the income tax deduction for contributions to so-called Section 529 education savings plans, providing a deduction up to \$1,000 per designated beneficiary. A deduction up to \$250 was in effect from 2007 to 2015.			
80	88			McCrea	An Act To Provide Critical Communications for Family Farms, Businesses and Residences by Strategic Public Investment in High-speed Internet and broadband Infrastructure	This bill requires that 33% of sales and use tax revenue collected by the State Tax Assessor from marketplace facilitators, with respect to marketplace-facilitated sales, after required transfers to other funds be transferred to the ConnectMaine Authority to further deployment of high-speed Internet and broadband infrastructure to unserved and underserved areas of the State.			
86	86			McCrea	An Act To Make Sales to Area Agencies on Aging Tax-exempt	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.			
94	253			Doudera	An Act To Allow Municipalities to Exempt Volunteer Firefighters from Paying Excise Tax on Their Vehicles Used To Respond to Fire Calls	This bill authorizes municipalities to adopt an ordinance extending a vehicle excise tax exemption to volunteer firefighters.			
136	705			Hanley	An Act To Increase the Maximum Pension Deduction for State Income Tax	This bill increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from \$10,000 to \$35,000 over a 5-year period beginning with the 2021 tax year. The \$35,000 pension deduction amount that applies after the 2025 tax year is subject to an annual inflation adjustment.			

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

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140	320			Dillingham	An Act To Assist Certain Businesses in the State That Sell Prepared Food or Alcohol	This bill permits retailers selling prepared food or liquor sold by establishments licensed for on-premises sales to retain 1/8 of the sales tax collected on those sales to cover administrative expenses.			
141	111			Terry	An Act To Make Technical Changes to the Tax Laws	<p>This bill makes technical changes to the tax laws.</p> <p>For changes to the income tax law, Part A:</p> <ol style="list-style-type: none"> <li>1. Authorizes the Department of Administrative and Financial Services, Maine Revenue Services to disclose information to the Finance Authority of Maine necessary for the administration of the seed capital investment tax credit in the Maine Revised Statutes, Title 36, section 5216-B. The authority is responsible for certifying investments that are eligible for the credit;</li> <li>2. Amends Title 36, section 5164, subsection 2, a provision of the Maine fiduciary income tax law, to incorporate gender-neutral terms, delete a duplicate word and make other technical textual changes;</li> <li>3. Repeals the additional tax on lump-sum retirement plan distributions, which does not apply to tax years beginning after 2012;</li> <li>4. Repeals the additional tax on early distributions from qualified retirement plans, which does not apply to tax years beginning after 2012;</li> <li>5. Clarifies that, for both the tax imposed on insurance companies pursuant to Title 36, chapter 357 and on persons pursuant to Title 36, Part 8, for purposes of the employer credit for family and medical leave, "employees based in the State" means employees that perform more than 50% of employee-related activities for the employer at a location in Maine. This change reflects administrative practice since implementation of the credit;</li> <li>6. Clarifies that a nonresident estate or trust that does not have Maine taxable income or a Maine income tax liability must nonetheless file a Maine income tax return if the estate or trust has distributable net income derived from or connected with sources in Maine and gross income of \$10,000 or more. This change reflects long-standing administrative practice; and</li> <li>7. Amends Title 36, sections 5221 and 5228 to incorporate gender-neutral terms.</li> </ol> <p>For changes to the sales tax law, Part B</p> <ol style="list-style-type: none"> <li>1. Amends the diabetic supplies exemption to require use by the purchaser;</li> </ol>			

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						<p>2. Includes in Title 36 the effective date of 3 sales tax exemptions enacted in the First Regular Session of the 129<sup>th</sup> Legislature that did not take effect until after the adjournment of the Second Regular Session of the 129<sup>th</sup> Legislature and repeals conflicting public law provisions;</p> <p>3. Clarifies the exemptions for nonprofit worldwide charitable organization; and</p> <p>4. Removes the Mayo Regional Hospital in Dover-Foxcroft from the hospital tax definition of "municipally funded hospital."</p> <p>For changes to the property tax law, Part C:</p> <p>1. Clarifies that the local assessor qualifying examination and individual examination results are confidential and thus not producible under a Freedom of Access Act request;</p> <p>2. Clarifies that enhanced business equipment tax exemption reimbursement only applies to tax increment financing exempt business equipment when the reimbursement is used to fund a tax increment financing development program.</p> <p>For general changes to tax law, Part D:</p> <p>1. Updates Title 36, section 173, concerning collection by warrant, to clarify the intent and make technical changes; and</p> <p>2. Repeals a provision that required the joint standing committee of the Legislature having jurisdiction over taxation matters to report out a bill permanently eliminating corporate tax expenditures totaling \$6,000,000 per biennium by February 6, 2016.</p>			
146	110			Terry	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory.			
147	109			Terry	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes and Amend Income Tax Modifications and the Maine Capital Investments Tax Credit	The bill does the following. 3 Part A updates references to the United States Internal Revenue Code of 1986 4 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal 5 Revenue Code of 1986 as amended through December 31, 2020, for tax years beginning 6 on or after January 1, 2018 and for any prior tax year as specifically provided by the United 7 States Internal Revenue Code of 1986, as amended. 8 Part B requires an addition modification for taxable income for income tax purposes 9 for federal excess business losses allowed to noncorporate taxpayers			

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						<p>pursuant to the 10 Coronavirus Aid, Relief, and Economic Security Act, or "CARES Act," for taxable years 11 beginning after December 31, 2017 and before January 1, 2021 and a subtraction 12 modification for the carry-over of this amount in future years. 13 Part C requires an addition modification for taxable income for income tax purposes of 14 the federal business interest deduction that exceeds 30% of adjusted taxable income 15 pursuant to the CARES Act for taxable years beginning on or after January 1, 2019 and 16 before January 1, 2021 and a subtraction modification for the carry-over of this amount in 17 tax years beginning on or after January 1, 2021. 18 Part D excludes qualified improvement property placed in service after December 31, 19 2017 and prior to January 1, 2020 from the Maine capital investment income tax credit. 20 Part E requires an addition modification for taxable income for income tax purposes 21 for the additional charitable contribution deduction allowed to corporations pursuant to the 22 CARES Act for taxable years beginning after January 1, 2019 and before January 1, 2020 23 and a subtraction modification for the carry-over of this amount in future years. 24 Part F updates and simplifies Maine income tax law by conforming the Maine income 25 tax with the federal net operating loss limitation, generally known as "the 80% taxable 26 income limitation," and the CARES Act suspension of the limitation. This Part and Maine's 27 conformity to the CARES Act net operating loss limitation suspension in Part A apply 28 retroactively to tax years beginning on or after January 1, 2018. Under Part F, the 80% 29 taxable income limitation applies to tax years beginning after 2020. 30 Part G expands the addition modification for the amount of the global intangible low31 taxed income deduction. For tax years beginning on or after January 1, 2020, the 32 modification is for the total amount of the foreign-derived intangible income and global 33 intangible low-taxed income deduction claimed in accordance with the Internal Revenue 34 Code, Section 250(a).</p>			
168	538			Guerin	An Act To Provide a Tax Break for Businesses That Employ People with Disabilities	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to provide a payroll tax cut for businesses that employ people with disabilities.			
179	30			Kessler	An Act To Exclude Energy Efficiency Improvements from Property Tax	This bill provides property tax exemptions for energy efficiency improvements and requires the Efficiency			

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						Maine Trust to identify and make available and list such improvements.			

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