

TAXATION COMMITTEE

MLS 2/3/2021 3:52 PM

130th LEGISLATURE

1st REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY19	FY120
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: <ul style="list-style-type: none"> • 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 be used 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: <ol style="list-style-type: none"> 1. area agencies on aging, as designated by the Department of Health and Human Services, and 2. Public and private nonprofit agencies that are operating under grants provided by DHHS and 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.			

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

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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.			
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. For changes to the income tax law, Part A:</p> <ol style="list-style-type: none"> 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; 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; 3. Repeals the additional tax on lump-sum retirement plan distributions, which does not apply to tax years beginning after 2012; 4. Repeals the additional tax on early distributions from qualified retirement plans, which does not apply to tax years beginning after 2012; 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; 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 			

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						<p>income of \$10,000 or more. This change reflects long-standing administrative practice; and</p> <p>7. Amends Title 36, sections 5221 and 5228 to incorporate gender-neutral terms.</p> <p>For changes to the sales tax law, Part B</p> <p>1. Amends the diabetic supplies exemption to require use by the purchaser;</p> <p>2. Includes in Title 36 the effective date of 3 sales tax exemptions enacted in the First Regular Session of the 129th Legislature that did not take effect until after the adjournment of the Second Regular Session of the 129th 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	The bill does the following. Part A updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to			

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					Revised Statutes and Amend Income Tax Modifications and the Maine Capital Investments Tax Credit	refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2020, for tax years beginning on or after January 1, 2018 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended. Part B requires an addition modification for taxable income for income tax purposes for federal excess business losses allowed to noncorporate taxpayers pursuant to the Coronavirus Aid, Relief, and Economic Security Act, or "CARES Act," for taxable years beginning after December 31, 2017 and before January 1, 2021 and a subtraction modification for the carry-over of this amount in future years. Part C requires an addition modification for taxable income for income tax purposes of the federal business interest deduction that exceeds 30% of adjusted taxable income pursuant to the CARES Act for taxable years beginning on or after January 1, 2019 and before January 1, 2021 and a subtraction modification for the carry-over of this amount in tax years beginning on or after January 1, 2021. Part D excludes qualified improvement property placed in service after December 31, 2017 and prior to January 1, 2020 from the Maine capital investment income tax credit. Part E requires an addition modification for taxable income for income tax purposes for the additional charitable contribution deduction allowed to corporations pursuant to the CARES Act for taxable years beginning after January 1, 2019 and before January 1, 2020 and a subtraction modification for the carry-over of this amount in future years. Part F updates and simplifies Maine income tax law by conforming the Maine income tax with the federal net operating loss limitation, generally known as "the 80% taxable income limitation," and the CARES Act suspension of the limitation. This Part and Maine's conformity to the CARES Act net operating loss limitation suspension in Part A apply retroactively to tax years beginning on or after January 1, 2018. Under Part F, the 80% taxable income limitation applies to tax years beginning after 2020. Part G expands the addition modification for the amount of the global intangible low taxed income deduction. For tax years beginning on or after January 1, 2020, the modification is for the total amount of the foreign-derived intangible income and global intangible low-taxed income deduction claimed in			

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						accordance with the Internal Revenue Code, Section 250(a).			
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 Maine Trust to identify and make available and list such improvements.			
188	642			Jackson	An Act Regarding the Transportation of Products in the Forest Products Industry	This bill requires that owners and managers of log yards and mill sites present a copy of a trip ticket to a forest ranger in the log yard or mill site upon request. The bill adds a requirement related to the transportation of forest products by providing that a landowner of 50,000 or more acres of forest land in the State may not allow the transportation of forest products harvested on the landowner's land from a location in the State to another location in the State in violation of federal law or regulation or an international trade agreement that prohibits the transportation of goods from a location in the United States to another location in the United States. The bill also provides that a landowner with 2 prior violations of the new transportation requirement is ineligible for classification of the landowner's land under the Maine Tree Growth Tax Law and the landowner may not receive certain tax incentives or state grants or other state funding.			
191	395			Bailey	An Act To Permit Municipalities To Provide Assistance to Veterans in Paying Property Taxes	This bill authorizes municipalities to adopt a program that provides benefits to veterans and their eligible family members who own or rent a homestead in the municipality. The benefit for owners is based on the impact of property tax equalization on the amount received as a property tax exemption compared to the amount that would have applied if no equalization was applied. The benefit for renters is \$100.			
198	717			Chipman	An Act To Improve Maine's Tax Laws by Providing a Property Tax Exemption for Central Labor Council	This bill provides a property tax exemption for real estate and personal property owned and occupied or used solely for their own purposes by central labor councils.			

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201	780			Libby	An Act To Reduce Greenhouse Gas Emissions and Promote Weatherization in the Buildings Sector by Extending the Sunset Date for the Historic Property Rehabilitation Tax Credit	This bill amends the definition of "certified qualified rehabilitation expenditure" under the law governing the tax credit for rehabilitation of historic properties to extend from December 31, 2025 to December 31, 2040 the date by which the United States Department of the Interior, National Park Service must determine a proposed rehabilitation of a structure meets its standards for rehabilitation in order for a taxpayer to claim an income tax credit for a qualified rehabilitation expenditure.			
217	315			Fecteau	An Act To Make Contributions Made To Pay Off School Meal Debt Tax-deductible	This bill provides an income tax deduction for a person who makes a contribution to a public or nonprofit private elementary or secondary school to cover school meal debt if the person making the contribution is not the parent of a student or a person otherwise obligated to cover the costs of a student			
229	435			Farrin	An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program	This bill increases the annual cap on eligible investment in any one business eligible for the seed capital tax credit from \$2,000,000 to \$3,000,000 and the aggregate cap on eligible investment in any one eligible business from \$3,500,000 to \$6,000,000.			
241	1198			Curry	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs -	Income tax credit for employers participation in apprenticeship programs.			
262	658			Roberts	An Act To Combat Hunger by Creating a Tax Credit of 10 Percent of Wholesale Market Prices up to \$5,000 Annually for Businesses Engaged in Food Production for Donations of Food to Tax-exempt Organizations -	Income tax credit for producers who donate food to hunger organizations.			
276	371			Berry	An Act To Improve and Update Maine's Tax Laws	Concept draft to improve and update tax laws.			
288	551			Dill	An Act To Conform the Maine Income Tax Law with Federal Law To Exempt Paycheck Protection Program Loans from Being Considered Taxable Income	This bill conforms Maine tax law to federal income tax treatment of loan forgiveness under Section 1106(i) of the federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, by providing an income tax exclusion for income attributable to paycheck protection program loan forgiveness that is excluded from federal gross income.			
290	346			Stewart	An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older	This bill requires a municipality to maintain the property tax on the homestead of a permanent resident who is at least 65 years of age at the amount billed in the year			

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					Who Own a Homestead for at Least 10 Years	prior to an application for stabilization. The amount by which the property tax assessed exceeds the stabilized amount must be paid to the municipality by the State. If an eligible individual moves to a different municipality, the stabilized property tax amount continues at the new location. An applicant for stabilization must be a permanent resident of the State and must have owned a homestead for at least 10 years. An application for stabilization must be made each year to continue eligibility.			
296	206			Cloutier	An Act To Provide a Tax Credit for Family Caregivers	This bill expands the role of the Department of Health and Human Services with respect to the Respite Care Fund to include services for family caregivers. It provides a refundable income tax credit of \$2,000 for certified family caregivers and permits eligible family caregivers to choose to receive services or a tax credit. It requires the department, by routine technical rulemaking, to prescribe the details of eligibility for family caregiver services and the tax credit within the context of the Respite Care Fund and the National Family Caregiver Support Program. The bill requires the department to establish a stakeholder group to assist in carrying out the purposes of the family caregiver program, evaluating the effect of the program and assisting with the compilation of an annual report. The bill requires that revenue losses to the General Fund attributable to the family caregiver income tax credit be reimbursed from the Respite Care Fund and provides that aggregate expenditures under the Respite Care Fund may not exceed \$5,000,000 annually excluding existing funds and federal revenue.			