

## TAXATION COMMITTEE

MLS 6/2/2021 9:01 AM

### 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>	
								FY22	FY23
23	175	3/24	4/1	Pouliot	An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans	<p>This bill</p> <ol style="list-style-type: none"> <li>reinstates the <u>income tax deduction</u> for contributions to Section 529 education savings plans and</li> <li>increases the maximum amount allowed to \$1,000 per designated beneficiary.</li> </ol> <p>Begins 1/1/21 tax years.</p> <p>A deduction up to \$250 was in effect from 2007 to 2015.</p> <p>Similar bill LD 71 in 129th Legislature. Died on Appropriations Table at end of 129th.</p> <p>FAME recommends changing application date to 1/1/22 tax years.</p>	OTPA/ ONTP	<p>MRS preliminary estimate fiscal impact</p> <p>Admin costs: \$33,000</p> <p>Revenue impact \$1 million/year</p>	
80	88	2/9	4/1	McCrea	An Act To Provide Critical Communications for Family Farms, Businesses and Residences by Strategic Public Investment in High-speed Internet and broadband Infrastructure (Emergency)	<p>This <u>emergency</u> bill requires:</p> <ol style="list-style-type: none"> <li>Beginning with sales occurring on or after 6/1/21</li> <li>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 monthly to the ConnectMaine Authority</li> <li>Must be used to further deployment of high-speed Internet and broadband infrastructure to unserved and underserved areas of the State.</li> <li>Takes effect when approved.</li> </ol> <p>Questions raised at PH:</p> <ol style="list-style-type: none"> <li>Can Maine expect federal \$\$ to support broadband?</li> <li>Is there \$\$ in biennial budget for broadband?</li> </ol>	tabled	<p>MRS preliminary estimate of revenue transfer \$15 to \$20 million per fiscal year beginning in FY 22</p> <p>MRS indicates additional administrative expenses to identify "facilitated sales"</p>	

<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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						3. Is there federal COVID \$\$ for broadband?  4/1 tabled for further discussion.			
86	86	2/9	2/18	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: 1. Area agencies on aging, as designated by the DHHS, 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.  Same bill (LD 726) was introduced in 129th Legislature; unanimous OTPA from TAX; died in Appropriations Table at end of 129th , 2d Regular Session.	OTPA fno	(\$25,650)	(\$62,700)
94	253	4/2	4/8	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 <u>authorizes municipalities to adopt an ordinance extending a vehicle excise tax exemption to volunteer firefighters for vehicle used to respond to fire calls.</u>	ONTP		
136	705	4/29	5/6	Hanley	An Act To Increase the Maximum Pension Deduction for State Income Tax	This bill <u>increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from current \$10,000 to \$35,000 over a 5-year period beginning with the 2021 tax year.</u>  <u>The \$35,000 pension deduction amount that applies after the 2025 tax year is subject to an annual inflation adjustment.</u>	ONTP/ OTPA		
140	320	2/9	2/18	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 and taxed at 8% to retain 1/8 of the sales tax collected on those sales to cover administrative expenses.  MRS has several policy and technical concern	ONTP/ OTPA	(\$11,371,500)	(\$33,444,750)
141	111	3/2	3/16	Terry	An Act To Make Technical Changes to the Tax Laws	This bill is submitted by MRS:  This bill makes technical changes to the tax laws.	OTPA		

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						<p><b>MRS CHART SUMMARIZING CHANGES POSTED ON COMMITTEE MATERIALS WEBPAGE AND PROPOSED AMENDMENT</b>  <a href="http://legislature.maine.gov/9710">http://legislature.maine.gov/9710</a></p> <p>Part A, For changes to the <u>income tax law</u>:</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>			

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						<p>Part B, changes to the <u>sales tax law</u>:</p> <ol style="list-style-type: none"> <li>1. Amends the diabetic supplies exemption to require use by the purchaser;</li> <li>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;</li> <li>3. Clarifies the exemptions for nonprofit worldwide charitable organization; and</li> <li>4. Removes the Mayo Regional Hospital in Dover-Foxcroft from the hospital tax definition of "municipally funded hospital."</li> </ol> <p>Part C, changes to the <u>property tax law</u>:</p> <ol style="list-style-type: none"> <li>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;</li> <li>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.</li> </ol> <p>Part D, <u>general changes</u> to tax law:</p> <ol style="list-style-type: none"> <li>1. Updates Title 36, section 173, concerning <u>collection by warrant</u>, to clarify the intent and make technical changes; and</li> <li>2. <u>Repeals requirement that TAX Committee report out a bill permanently eliminating corporate tax expenditures totaling \$6,000,000 per biennium by February 6, 2016.</u></li> </ol> <p><b><u>MRS Proposed Amendment to Part C to make taxpayer identification numbers included in Commercial Forestry Excise Tax return are confidential.</u></b></p>			
146	110	2/23		Terry	Resolve, Authorizing the State Tax Assessor To Convey the Interest of	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	OTPA fno		

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					the State in Certain Real Estate in the Unorganized Territory	acquired by the State because of nonpayment of property tax.  MRS submitted proposed amendment at PH to correct some of the amounts for one property. Available on line at: <a href="http://legislature.maine.gov/9710">http://legislature.maine.gov/9710</a>			
147	109	5/12	5/19	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	Bill submitted by DAFS:  The bill <u>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, 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.</u>  <u>Sponsor indicated at PH that this bill is no longer needed because conformity was enacted in a prior budget bill.</u>  <u>Sponsor requests ONTP.</u>	ONTP		
168	538	3/16	3/23	Guerin	An Act To Provide a Tax Break for Businesses That Employ People with Disabilities	CONCEPT DRAFT: This bill proposes to provide a payroll tax cut for businesses that employ people with disabilities.  <b><u>SPONSOR PROPOSED AMENDMENT:</u></b> <u>Provides IT credit for employers who employ qualified disabled employees. Credit is equal to the difference between the wage paid and the subminimum wage that would have been allowed under federal law.</u>	ONTP/ OTPA		
179	30	2/23	4/1	Kessler	An Act To Exclude Energy Efficiency Improvements from Property Tax	This bill: 1. Provides property tax exemptions for energy efficiency improvements and 2. Requires the Efficiency Maine Trust (EMT) to identify and make available and list such improvements. 3. "Energy efficiency improvements" are improvements that A. meet or exceed federal "Energy Star" standards or similar EMT standards; or	OTPA	MRS estimate  Admin costs: 2 positions \$190,000 to \$210,000	MRS estimate  Admin costs: 2 positions \$190,000 to \$210,000

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						<p>B. Involve weatherization in a manner approved by EMT</p> <p>Issues raised at public hearing:</p> <ul style="list-style-type: none"> <li>• Meaning of "energy efficiency Improvements"</li> <li>• Role of Efficiency Maine Trust</li> <li>• Impact on local revenue</li> </ul>			
188	642	2/23		Jackson	An Act Regarding the Transportation of Products in the Forest Products Industry	<p>This bill</p> <ol style="list-style-type: none"> <li>1. Requires that owners and managers of log yards and mill sites <u>present a copy of a trip ticket to a forest ranger in the log yard or mill site upon request.</u></li> <li>2. Adds a requirement related to the transportation of forest products by providing that a <u>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. (cabotage)</u></li> <li>3. Provides that a <u>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</u></li> <li>4. Provides that the <u>landowner may not receive BETE, BETR, income tax credits or state grants or other state funding.</u></li> </ol> <p>Similar bill (LD 2061) presented in 129th R2 but was not reported out of committee before adjournment and died at end of session.</p> <p>Sponsor suggested changes in testimony at PH. pp.2-3 at the following link:  <a href="http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=144118">http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=144118</a></p>	OTPA/ ONTP		
191	395	3/18	3/25	Bailey	An Act To Permit Municipalities To Provide Assistance to Veterans in Paying Property Taxes	<p>This bill <u>authorizes municipalities</u> to adopt a program that provides benefits:</p> <ol style="list-style-type: none"> <li>1. to veterans and their eligible family members</li> <li>2. who own or rent a homestead in the municipality.</li> </ol>	OTPA		

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						<p>The <u>benefit for owners</u> is <u>based on the impact of property tax equalization</u> on the amount received as a property tax exemption compared to the amount that would have applied if no equalization of value was applied.</p> <p>The <u>benefit for renters</u> is \$100.</p> <p><u>CURRENT LAW:</u> As required by the Maine Constitution the veteran's exemption of \$6,000 is based on equalized just value. If a municipality's valuation is at 90% of just value, the exemption is reduced to 90% of \$6,000 or \$5,400.</p> <p><u>THIS BILL:</u> provides a benefit to a homeowner equal to the difference in the reduction in property tax due to the equalization of the exemption amount.</p> <p><u>Sponsor indicated intent to provide that benefit is not taxable under the income tax.</u></p>			
198	717	2/23		Chipman	An Act To Improve Maine's Tax Laws by Providing a Property Tax Exemption for Central Labor Council	<p>This bill provides a <u>property tax exemption</u> for real estate and personal property owned and occupied or used solely for their own purposes by <u>central labor councils</u>.</p> <p>The same language (LD 989) was reported out of TAX Committee during the 129th R2 and died on the Appropriations Table at the end of the 129th Legislature</p> <p><u>Estimated fiscal impact LD 989:</u> FY 22 \$1,625 FY 23 \$1,675</p>	OTPA/ ONTP		
201	780	3/18	3/25	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	<p>This bill extends <u>the income tax credit for rehabilitation of historic properties</u> by amending the definition of "certified qualified rehabilitation expenditure" to <u>extend from 12/31/25 to 12/31/40</u> the date by which the proposed rehabilitation of a structure <u>meets standards for rehabilitation established by the National Park Service</u>.</p> <p>This expands the availability of the credit for 15 years.</p>	OTPA		

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						<p><u>Technical amendment identified to also extend date for MeSHA review and report on % of affordability.</u></p> <p><u>Materials submitted by Maine Preservation</u></p>			
217	315	3/16	3/23	Fecteau	An Act To Make Contributions Made To Pay Off School Meal Debt Tax-deductible	<p>This bill provides an <u>income tax deduction</u> for:</p> <ol style="list-style-type: none"> <li>1. An individual or a corporation that makes a <u>contribution to a public or nonprofit private elementary or secondary school</u></li> <li>2. To cover <u>student school meal debt</u></li> </ol> <p>The deduction is <u>NOT</u> allowed if the person making the contribution is the <u>parent</u> of a student or a <u>person otherwise obligated</u> to cover the costs of a student</p> <p>MRS has concerns.</p>	ONTP		
229	435	4/2	4/6 5/19	Farrin	An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program	<p>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.</p> <p><u>CURRENT LAW:</u> Applies to investments by both individuals and private venture capital funds</p> <ol style="list-style-type: none"> <li>1. Cap on aggregate investment in one business is \$3,500,000 and not more than \$2,000,000 in one year.</li> </ol> <p>4/6 Tabled for more information/OPEGA report</p> <p>4/27 Sponsor proposed amendment . Allows investments approved by FAME before 4/1/2020 to be eligible for previous higher cap.</p>	OTPA		
241	1198	3/18	3/25 5/25	Curry	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	<p>This bill provides:</p> <ol style="list-style-type: none"> <li>1. <u>income tax credit</u></li> <li>2. <u>up to \$2,500 (based on % of hours worked during year)</u></li> <li>3. for an <u>employer employing an apprentice participating</u> in an apprenticeship program registered by the Maine Apprenticeship</li> </ol>	OTPA	<p>Preliminary MRS estimate</p> <p>Admin. costs (one time): \$33,000 Revenue loss: \$1.5 million/year</p>	



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						<p>Program administered by the Maine Department of Labor.</p> <p>Begins with TY 2022.</p> <p>MRS has technical concerns; need for clarification.</p>			
262	658	3/18	3/25 5/26	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 –	<p>This bill provides an income tax credit for donations:</p> <ol style="list-style-type: none"> <li>1. Of <u>agricultural products, aquacultural products or fishing products</u></li> <li>2. <u>By persons engaged in commercial agricultural production, commercial aquacultural production or commercial fishing</u></li> <li>3. To a <u>food bank, food kitchen or other tax exempt organization that provides food to low-income individuals without charging a fee for the food or requiring any other type of compensation from the low-income individuals.</u></li> </ol> <p>The <u>credit is equal to 10% of the wholesale market price of the donated products up to a maximum credit of \$5,000.</u></p> <p>MRS technical concerns; need for clarification.</p>	OTPA/ ONTP	<p>Preliminary MRS estimate</p> <p>Admin costs      \$33,000</p> <p>Revenue loss:    no estimate</p>	
276	371			Berry	An Act To Improve and Update Maine's Tax Laws	Concept draft to improve and update tax laws.			
288	551	5/11	5/11	Dill	An Act To Conform the Maine Income Tax Law with Federal Law To Exempt Paycheck Protection Program Loans from Being Considered Taxable Income	<p>This bill <u>proposes to conform Maine tax law to federal income tax treatment of loan forgiveness under Section 1106(i) of the federal CARES Act, by providing an income tax exclusion for income attributable to paycheck protection program loan forgiveness that is excluded from federal gross income.</u></p> <p>This provision was dealt with in the Supplemental budget bill PL 2021, c. 1.</p>	ONTP		
290	346	5/12		Stewart	An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years	<p>This bill requires a municipality to <u>maintain the property tax on a homestead at the amount billed in the year prior to an application for stabilization if the owner is:</u></p> <ol style="list-style-type: none"> <li>1. A <u>permanent resident of the State</u></li> <li>2. Who is <u>at least 65 years of age</u></li> <li>3. Has <u>owned the homestead for at least 10 years</u></li> </ol>	ONTP/ OTPA	<p>MRS preliminary fiscal impact</p> <p>Admin costs:      \$90,000 to \$100,000</p> <p>State mandate costs</p>	

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						<p>The amount by which the property tax assessed exceeds the stabilized amount must be paid to the municipality by the State.</p> <p>If an eligible individual moves to a different municipality, the stabilized property tax amount continues at the new location.</p> <p>An application for stabilization must be made each year to continue eligibility.</p> <p>MRS concerns Possible constitutional concerns Significant work for municipalities</p>			
296	206			Cloutier	An Act To Provide a Tax Credit for Family Caregivers	<p>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.</p>	referred to HHS		
308	849	3/24	4/1	Stewart	An Act To Promote Research and Development in the State by Increasing and Marketing the Research Expense Tax Credit	<p>This bill increases the research expense tax credit by:</p> <ol style="list-style-type: none"> <li>1. doubling the expenditures eligible for the credit from 5% to 10% for expenditures over the federal base amount and from 7.5% to 15% of the federal basic research payments base amount and</li> <li>2. doubling the maximum amount of the credit that may be claimed from \$25,000 to \$50,000.</li> </ol>	carryover		

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						<p>The bill also provides ongoing funds of \$100,000 per year beginning in fiscal year 2021-22 to DECD to advertise and market the research expense tax credit.</p> <p>DECD requests that funding be allowed to market other credits.</p> <p>4/1 tabled for discussion with OPEGA about availability of its evaluation.</p>			
328	711	3/9	3/18	Harnett	An Act To Fully Fund and Restore State-Municipal Revenue Sharing	<p>This bill increases state-municipal revenue sharing to 5% from 3.75% retroactively beginning 1/1/21.</p> <p>This bill is identical to LD 409.</p> <p><b>CURRENT LAW:</b> RevSh % until 6/30/21 is 3.75% RevSh % beginning 7/1/21 is 5%</p> <p><b>OTHER PROPOSALS:</b> LDs 328 and 409 set % at 5% 1/1/21.</p> <p><b>Biennial budget proposal:</b> Maintain % at 3.75% through 6/30/23. Then returns to 5%.</p> <p>OFPR <i>Compendium of State Fiscal Information</i> includes history of Revenue Sharing percentages and transfers (p. 65) <a href="http://legislature.maine.gov/doc/4877">http://legislature.maine.gov/doc/4877</a></p>	OTPA/ ONTP	<p>MRS preliminary estimate</p> <p><b>GF revenue loss:</b> <u>LD 328/409</u></p> <p>FY 2021           \$5,000,000 FY 2022, 2023   \$47,000,000 (compared to biennial budget proposal)</p> <p><u>LD 403</u> FY 2022, 2023   \$38,000,000 (compared to biennial budget proposal)</p>	
351	1552	2/23	3/4	Foster	An Act Regarding Municipal Valuation and State-owned Property	<p>This bill changes the property tax exemption for state-owned property by requiring the State to pay municipal property taxes on the state-owned property in a municipality that exceeds 10% of the total valuation of taxable property in the municipality.</p> <p>Begins with 4/1/22 property tax status</p> <p>MRS raised constitutional issues at PH.</p> <p>Charts submitted by Sponsor after PH: <a href="http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=144121">http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=144121</a></p>	ONTP/ OPTA		

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392	1798			Terry	An Act To Amend the Tax Laws	This bill is a concept draft pursuant to Joint Rule 208. This bill would amend the tax laws.			
401	446	3/24	3/29	Underwood	An Act To Provide a Sales and Use Tax Exemption for Certain Nonprofit Cemeteries	<p>This bill creates a <u>sales and use tax exemption</u> for an <u>incorporated nonprofit cemetery</u> that is exempt from federal income tax under Sec. 501(c)(13) of the United States Internal Revenue Code of 1986.</p> <p>Effective 1/1/22</p> <p><b>IRC Sec. 501(c)(13) Exempt from fed IT</b>  <u>"Cemetery companies</u> owned and operated exclusively for the benefit of their members or which are not operated for profit; <u>and any corporation</u> chartered solely for the purpose of the disposal of bodies by burial or cremation which is not permitted by its charter to engage in any business not necessarily incident to that purpose and no part of the net earnings of which inures to the benefit of any private shareholder or individual."</p>	OTPA		
403	622	3/9	3/18	Madigan	An Act To Assist Service Center Communities by Adjusting State-Municipal Revenue Sharing	<p>This bill, for fiscal years 2021-22 and 2022-23, sets the percentage of state-municipal revenue sharing at 4.25%, which is one-half of a percentage point above the amount proposed in the Governor's 2022-2023 biennial budget.</p> <p>Despite bill title, there is no special benefit for service center communities.</p> <p><b>CURRENT LAW:</b>  RevSh % until 6/30/21 is 3.75%  RevSh % beginning 7/1/21 is 5%</p> <p><b>OTHER PROPOSALS:</b>  <u>LDs 328 and 409</u> set % at 5% 1/1/21.</p>	ONTP	<p>MRS preliminary estimate</p> <p><b>GF revenue loss:</b>  <u>LD 328/409</u></p> <p>FY 2021           \$5,000,000  FY 2022, 2023   \$47,000,000  (compared to biennial budget proposal)</p> <p><u>LD 403</u>  FY 2022, 2023   \$38,000,000  (compared to biennial budget proposal)</p>	

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						<b>Biennial budget proposal:</b> Maintain % at 3.75% through 6/30/23. Then returns to 5%.			
409	1054	3/9	3/18	Riseman	An Act To Provide Funding To Restore Fully State-Municipal Revenue Sharing	<p>This bill increases state-municipal revenue sharing to 5% from 3.75% retroactively beginning 1/1/21.</p> <p>This bill is identical to LD 328.</p> <p><b>CURRENT LAW:</b> RevSh % until 6/30/21 is 3.75% RevSh % beginning 7/1/21 is 5%</p> <p><b>OTHER PROPOSALS:</b> <u>LDs 328 and 409</u> set % at 5% 1/1/21.</p> <p><b>Biennial budget proposal:</b> Maintain % at 3.75% through 6/30/23. Then returns to 5%.</p>	ONTP	<p>MRS preliminary estimate</p> <p><b>GF revenue loss:</b> <u>LD 328/409</u></p> <p>FY 2021           \$5,000,000 FY 2022, 2023   \$47,000,000 (compared to biennial budget proposal)</p> <p><u>LD 403</u> FY 2022, 2023   \$38,000,000 (compared to biennial budget proposal)</p>	
412	606	3/	3/16	Carlow	An Act To Authorize the Use of Tax Increment Financing Funds for Constructing or Renovating Municipal Offices and Other Buildings	<p>This bill:</p> <ol style="list-style-type: none"> <li>Permits revenue from tax increment financing districts to be used for the construction or renovation of municipal offices or other buildings and</li> <li>Limits the revenue that may be used for those purposes to \$1,000,000 during a 20-year period for any one tax increment financing district.</li> </ol> <p>The bill also corrects a conflict in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1, paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by incorporating the changes made by both laws.</p> <p>Info provided by Rep. Carlow after PH: <a href="http://legislature.maine.gov/doc/6275">http://legislature.maine.gov/doc/6275</a></p>	ONTP/ OTPA		
418	782	3/2	5/19	Williams	An Act To Create a Graduated Real Estate Transfer Tax	<p><b>CURRENT LAW:</b></p> <ol style="list-style-type: none"> <li><u>Current rate of real estate transfer tax</u> is \$2.20 per \$500 of value of the real property transferred for both buyer and seller.</li> <li>Distribution: Default distribution of tax revenue</li> </ol>	ONTP/ OPTA		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>A. 10% retained by county  B. 45% to GF  C. 45% to HOME Fund at MeSHA for housing assistance.</p> <p>Over the last 10+ years, funds have been diverted from the GF and the HOME Fund for other purposes. See compendium. <a href="http://legislature.maine.gov/doc/6065">http://legislature.maine.gov/doc/6065</a></p> <p><u>This bill:</u></p> <ol style="list-style-type: none"> <li>1. <u>Decreases the rate of the real estate transfer tax on the first \$150,000 of value of a primary residence to \$1.50 for each \$500 or fractional part of \$500 of the value, and</u></li> <li>2. <u>Increases the tax rate on the value of a primary residence exceeding \$150,000 and on all other property to \$2.50 for each \$500 or fractional part of \$500 of the value.</u></li> </ol> <p>Last information:  Rep. Kessler working with sponsor and MRS on an amendment?</p>			
428	1634	4/15		Tepler	An Act To Prevent Tax Haven Abuse	<p>This bill <u>requires corporations that file unitary income tax returns in Maine to include income from certain specified jurisdictions outside the United States considered "tax havens" in net income when apportioning income among tax jurisdictions.</u></p> <p>The State Tax Assessor is required to <u>adopt major substantive rules</u> to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income.</p> <p>The <u>assessor is required to submit an annual report to TAX Committee regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.</u></p>			
435	1319	3/24	3/29	Picket	An Act To Provide a Sales and Use Tax Exemption for Certain Educational Collaboratives	<p>This bill provides a <u>sales and use tax exemption</u> for an incorporated nonprofit collaborative whose members are <u>regional school units</u> and that is organized to <u>assist those units with professional development opportunities and services.</u></p>	OTPA		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>															
								FY22	FY23														
						MRS suggests that exemption be separated from exemption for government entities.																	
470	516			Davis	An Act To Allow a Veteran Who Was Member of the Military Reserves or Served in the National Guard To Qualify for the Veterans' Property Tax Exemption	This bill provides that persons who served on active duty in the National Guard or the Reserves of the United States Armed Forces are considered veterans eligible for veterans' property tax exemptions.	LVWD																
484	1853			Chipman	An Act To Change Maine's Tax Laws	This bill is a concept draft pursuant to Joint Rule 208. This bill would make specific changes to the laws governing taxation that are within the jurisdiction of the Joint Standing Committee on Taxation.																	
495	1267	3/16	3/23 5/18	Osher	An Act To Improve Income Tax Progressivity by Establishing New Top Individual Income Tax Rates	<p>This bill increases the tax rate on the current top bracket under the individual income tax from 7.15% to 8.35% and adds a new bracket of 11.15% on taxable income exceeding \$100,000 for single individuals and married persons filing separately, \$150,000 for heads of household and \$200,000 for individuals filing married joint returns or surviving spouses.</p> <p><u>Current IIT bracket (single):</u>            Bracket amounts doubled for married joint; 1.5 for heads of household.</p> <table> <tr> <td>\$0 to \$21,049</td> <td>5.8%</td> </tr> <tr> <td>\$21,050 to \$49,999</td> <td>6.75%</td> </tr> <tr> <td>\$50,000 or more</td> <td>7.15%</td> </tr> </table> <p><u>Bracket amounts in bill:</u></p> <table> <tr> <td>\$0 to \$21,049</td> <td>5.8%</td> </tr> <tr> <td>\$21,050 to \$49,999</td> <td>6.75%</td> </tr> <tr> <td>\$50,000 to \$99,999</td> <td>8.35%</td> </tr> <tr> <td>\$100,000 and over</td> <td>11.15%</td> </tr> </table> <p><b>Similar bills:</b>    LDs 532,570                                     LRs 743, 1679, 1756 (not yet printed)</p> <p><u>MRS has technical and policy concerns.</u></p>	\$0 to \$21,049	5.8%	\$21,050 to \$49,999	6.75%	\$50,000 or more	7.15%	\$0 to \$21,049	5.8%	\$21,050 to \$49,999	6.75%	\$50,000 to \$99,999	8.35%	\$100,000 and over	11.15%	ONTP	MRS Preliminary estimates Not available at time of PH.	
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498	903	3/9	3/18 5/18	Sylvester	An Act To Reauthorize a 3 Percent Tax on Income over \$200,000 To Lift All Maine Workers out of Poverty	<p>This bill:</p> <ol style="list-style-type: none"> <li>Imposes a <u>3% income tax surcharge</u> on taxable <u>income exceeding \$200,000</u> and</li> </ol>	OTPA/ ONTP	MRS preliminary estimate															

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>																
								FY22	FY23															
						<p>2. Increases the Maine earned income tax credit from 25% of the federal credit to 100% of the federal credit.</p> <p>MRS concerns:</p> <ol style="list-style-type: none"> <li>Does \$200,000 threshold apply to all filers (i.e. married joint filers and heads of household)?</li> <li>Does the threshold apply to income of trusts and estates?</li> </ol> <p>3/18 tabled – Questions about</p> <ol style="list-style-type: none"> <li>recent federal changes to EITC</li> <li>previous referenda</li> </ol>		<p>Cannot be determined without answers to coverage concerns.</p> <p><u>Estimated revenue on 3% for education referendum:</u></p> <p>FY 18 \$176,300,000  FY 19 \$151,500,000  FY 20 \$161,300,000  FY 21 \$171,900,000</p>																
501	1123	3/9	3/18 5/26	Brooks	An Act To Amend Maine's Corporate Income Tax by Increasing the Top Rate from 8.93 Percent to 12.4 Percent	<p>This bill increases the income tax rate on corporations in the top income tax bracket from 8.93% to 12.4% for tax years beginning on or after January 1, 2022.</p> <p><u>Current corporate IT rates:</u></p> <table> <tr> <td>\$0 to \$350,000</td> <td>3.5%</td> </tr> <tr> <td>\$350,000 to \$1,050,000</td> <td>7.93%</td> </tr> <tr> <td>\$1,050,000 to \$3,500,000</td> <td>8.33%</td> </tr> <tr> <td>\$3,500,000 and over</td> <td>8.93%</td> </tr> </table> <p><u>Corporate IT rates proposed by bill:</u></p> <table> <tr> <td>\$0 to \$350,000</td> <td>3.5%</td> </tr> <tr> <td>\$350,000 to \$1,050,000</td> <td>7.93%</td> </tr> <tr> <td>\$1,050,000 to \$3,500,000</td> <td>8.33%</td> </tr> <tr> <td>\$3,500,000 and over</td> <td>12.4%</td> </tr> </table> <p>Link to <u>Tax Foundation list of corporate income tax rates for all states.</u>  <a href="https://taxfoundation.org/publications/state-corporate-income-tax-rates-and-brackets/">https://taxfoundation.org/publications/state-corporate-income-tax-rates-and-brackets/</a></p> <p>3/18 Tabled for further discussion</p>	\$0 to \$350,000	3.5%	\$350,000 to \$1,050,000	7.93%	\$1,050,000 to \$3,500,000	8.33%	\$3,500,000 and over	8.93%	\$0 to \$350,000	3.5%	\$350,000 to \$1,050,000	7.93%	\$1,050,000 to \$3,500,000	8.33%	\$3,500,000 and over	12.4%	ONTP	<p>MRS preliminary estimate</p> <p><u>Revenue increase:</u>  \$75,000,000/year</p> <p><u>Admin costs:</u>  Nominal, can be absorbed</p>
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\$3,500,000 and over	12.4%																							
506	442	3/24	3/29	Berry	An Act To Reduce the Tax Burden on Low-income Electricity Customers	<p>This bill provides a <u>sales and use tax exemption</u> for all <u>electricity consumed by residential customers participating in either a low-income assistance program or arrearage management program approved by the Maine PUC.</u> This exemption maximizes the value of the benefit from the subsidies provided to participants in these programs.</p>	OTPA																	



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								FY22	FY23
						<p>CURRENT LAW: Sales tax exemption for</p> <ol style="list-style-type: none"> <li>1. first 750KWH per month for residential electricity and</li> <li>2. off peak residential electricity for space heating or water heating by electric thermal storage device</li> </ol>			
527	1171	4/13	4/27	Vitelli	An Act To Exempt MaineCare Appendix C Private Nonmedical Institutions from the Service Provider Tax	<p>This bill <u>exempts from the service provider tax so-called MaineCare Appendix C private nonmedical institutions</u>, which are residential care facilities maintained wholly or partly for the purpose of providing residents with medical and remedial services.</p> <p>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. (<u>Application to Appendix F is unclear</u>)</p> <p><u>HISTORY IN 129TH</u> A similar bill was considered during the 1st Regular Session of the 129th Legislature. It was changed to a Resolve (c. 81) directing DHHS and MRS to <u>examine and evaluate the tax including alternatives and report to the 2d Reg. Session by 3/1/20.</u></p> <p><u>Issues were complicated by federal (CMS) challenges to portions of the SPT and the State's ability to use it as match for federal Medicaid funding.</u></p>	OTPA		
532	1790	3/16	3/23 5/18	Baldacci	An Act To Lower Income Taxes for Middle-income Families in Maine	<p>This bill provides:</p> <ol style="list-style-type: none"> <li>1. In <u>income tax credit that reduces income taxes by 10% for:</u> <ul style="list-style-type: none"> <li>(A) individuals filing as <u>single individuals</u> and married persons filing separately with taxable income <u>under \$60,000</u>,</li> <li>(B) <u>heads of households</u> with taxable income <u>under \$90,000</u> and</li> <li>(C) individuals filing <u>married joint returns</u> and surviving spouses with taxable income <u>under \$120,000.</u></li> </ul> </li> <li>2. New upper income tax bracket with tax rate of 7.95%.</li> </ol>	ONTP	<p>MRS preliminary estimates</p> <p>Admin costs: \$11,000</p> <p>Revenue impact: Not available at time of PH</p>	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>														
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						<p><u>CURRENTLAW</u>: IIT bracket (single): Bracket amounts doubled for married joint; 1.5 for heads of household.</p> <table> <tr> <td>\$0 to \$21,049</td> <td>5.8%</td> </tr> <tr> <td>\$21,050 to \$49,999</td> <td>6.75%</td> </tr> <tr> <td>\$50,000 or more</td> <td>7.15%</td> </tr> </table> <p><u>Bracket amounts in bill</u>:</p> <table> <tr> <td>\$0 to \$21,049</td> <td>5.8%</td> </tr> <tr> <td>\$21,050 to \$49,999</td> <td>6.75%</td> </tr> <tr> <td>\$50,000 to \$199,999</td> <td>7.15%</td> </tr> <tr> <td>\$200,000 and over</td> <td>7.95%</td> </tr> </table>	\$0 to \$21,049	5.8%	\$21,050 to \$49,999	6.75%	\$50,000 or more	7.15%	\$0 to \$21,049	5.8%	\$21,050 to \$49,999	6.75%	\$50,000 to \$199,999	7.15%	\$200,000 and over	7.95%		
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534	1848	3/18	3/25 5/27	Chipman	An Act To Allow Tax Abatements for Catastrophic Loss	<p>This bill <u>allows municipal assessors</u>, or the State Tax Assessor for property in the unorganized territory, <u>to abate the property taxes of real property that :</u></p> <ol style="list-style-type: none"> <li><u>1. due to destruction by flood, fire, explosion or natural disaster</u></li> <li><u>2. occurring after 4/1 tax status date</u></li> <li><u>3. suffers at least a 50% decrease in just value to improvements on that real property.</u></li> </ol> <p><u>MRS has technical and potential constitutional concerns.</u></p> <p>3/25WS not taken up</p>	ONTP															
538	996	3/24	3/29	Miramant	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	<p>This bill provides a <u>sales and use tax exemption for trailers that are purchased in the State by a nonresident and then driven or transported outside the State immediately upon delivery.</u></p> <p>The exemption excludes camper trailers, which are included in the definition of "trailer," because a similar exemption already exists for camper trailers, other than those that are being leased for a period of less than one year.</p> <p>36 MRS §1752.19-A <u>definition of "trailer:</u> <b>19-A. Trailer.</b> "Trailer" means a vehicle without motive power and mounted on wheels that is designed to carry persons or property and to be drawn by a motor vehicle and not operated on tracks.</p>	OTPA	<p>Preliminary MRS fiscal estimate</p> <p>Admin. cost: NEGLIGIBLE</p> <p>Revenue loss: Not provided</p> <p><u>Similar bill (LF 1608) was reported out of committee and died on the Appropriations Table at the end of the 129th Legislature.</u></p> <p>Fiscal note on LD 1608 (same substance) in the 129th Legislature: FY 20 (\$117,049) FY 21 (\$175,750)</p>														

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								FY22	FY23
						"Trailer" includes a camper trailer as defined in section 1481, subsection 1-A.			
570	550	3/16	3/23 5/18	Berry	An Act To Provide for Fairness in the Taxation of Extraordinary and Unearned Income by Establishing a 3 Percent Surcharge on Net Capital Gains and Dividends Income over \$250,000 for Taxpayers Filing Single or Married Separate Returns and over \$500,000 for Taxpayers Filing Joint Returns	This bill imposes an <u>3% income tax surcharge</u> on the portion of a taxpayer's taxable income that exceeds the lesser of: 1. the taxpayer's <u>taxable income from net capital gains and dividends</u> and 2. the amount by which the <u>taxpayer's taxable income exceeds</u> A. <u>\$250,000</u> (single) B. <u>\$375,000</u> (heads of households) or C. <u>\$500,000</u> (married joint)	ONTP	MRS preliminary estimates Admin costs: \$11,000 Revenue impact: Not available at time of PH	
576	1224	4/7	4/20	Jackson	An Act To Increase Property Tax Relief for Veterans	This bill 1. <u>increases to \$10,000</u> , beginning on or after April 1, 2022, the property tax exemption for <u>all categories of eligible veterans other than paraplegic veterans receiving a \$50,000 exemption</u> for specially adapted housing units. 2. It also <u>expands the dates of federally recognized war periods to include February 1, 1955 to February 27, 1961.</u> 3. <u>State reimbursement to municipalities is provided for 100% of the property tax revenue loss to municipalities as a result of the increase and expansion of exemptions.</u>  MRS has technical concerns.	OTPA		
611	526	3/24	3/29	Rudnicki	An Act To Exempt Long-term Lodging from the 9 Percent Sales Tax on Lodging	This bill provides that the <u>sales tax exemption</u> for rental of certain living quarters applies to <u>individuals residing continuously in a tent or trailer space for 90 days or more in order to work during the summer season.</u>  <u>Sponsor has proposed amendment to remove requirement that the person renting the tent or trailer space be doing so "in order to work during the summer season."</u>  Bill has effective date of 1/1/21. <u>MRSA questions whether retroactive application is intended and has other technical concerns.</u>	ONTP/ OTPA		

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								FY22	FY23
647	517	4/7	4/20	Keim	An Act To Expand Eligibility for the Veterans' Property Tax Exemption	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.	OTPA		
659	1016	4/14	4/21	Tuell	An Act To Ease the Property Tax Burden by Authorizing Municipalities To Require Payments in Lieu of Taxes from Certain Exempt Organizations	<p>This bill <u>permits municipalities to</u> adopt an ordinance to <u>impose an impact fee</u> on property that is exempt from property tax under 36 MRSA §652 <u>unless the owner of the property has <u>agreed</u> to make <u>payments in lieu of taxes</u></u>. <u>Purpose of fee is to recover cost of municipal services</u> provided to the property.</p> <p>An <u>impact fee may NOT be:</u></p> <ol style="list-style-type: none"> <li><u>Less than 50% of amount of tax that would be assessed on the property</u></li> <li><u>imposed if the owner of the property has an annual budget of less than \$50,000.</u></li> </ol> <p><u>Municipality must attempt to negotiate a PILOT</u> before assessing an impact fee.</p> <p><u>Property exempt under 36 MRSA §652</u></p> <ol style="list-style-type: none"> <li>Benevolent and charitable institutions</li> <li>Literary and scientific institutions</li> <li>Certain veterans' organization (e.g. VFW, American Legion)</li> <li>Chambers of Commerce or Boards of Trade</li> <li>Houses of religious worship/parsonages</li> <li>Hospitals, HMOs blood banks</li> </ol> <p>Potential ambiguity in language.</p> <p>Potential Constitutional issues</p>	ONTP	MRS preliminary fiscal impact Admin costs: can be absorbed	
708	221	5/4	5/10	Faulkingham	An Act To Increase the Homestead Exemption to \$50,000	<p>This bill increases the property tax exemption for homesteads from \$25,000 to \$50,000 for property tax years beginning on or after April 1, 2021.</p> <p>not updated</p>	ONTP/ OTPA		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
724	700	4/2	4/8	Ordway	An Act To Base the Vehicle and Mobile Home Excise Tax on Actual Value	<p>This bill <u>changes the method of computing the vehicle excise tax</u> levied on motor vehicles registered in the State except for certain large commercial vehicles.</p> <p><u>Current law:</u> Except for certain large commercial vehicles, the <u>vehicle excise tax is based upon the maker's list price.</u> The excise tax on certain commercial motor vehicles and buses and special mobile equipment is <u>based on the purchase price.</u></p> <p>This bill . <u>Requires that:</u></p> <ol style="list-style-type: none"> <li><u>1. The excise tax for all motor vehicles currently taxed on "maker's list price" and "commercial motor vehicles" currently taxed on "purchase price"</u></li> <li><u>2. Would instead be based upon the actual value of the vehicle</u></li> <li><u>3. At the time of delivery to the owner,</u></li> <li><u>4. "Actual value" is not defined and would be determined by sources approved by the State Tax Assessor.</u></li> </ol> <p><u>STATE REIMBURSEMENT TO MUNICIPALITIES:</u> <u>CURRENT LAW</u> <u>Requires the State to reimburse a municipality for the difference in the amount of excise tax that would have been collected by the municipality on each commercial motor vehicle or bus using the manufacturer's suggested retail price instead of the actual purchase price.</u></p> <p><u>Bill requires reimbursement for all motor vehicles.</u></p> <p>BMV and MRS have drafting and technical concerns.</p>	ONTP		
731	342	3/24	4/1	Stewart	An Act To Establish a Program To Assist Regional Firefighter Training Programs, To Provide Tax Credits to Businesses That Employ Volunteer Firefighters and Emergency Medical Services Persons and To Provide Benefits to Volunteer Firefighters and Emergency Medical Services Persons	<p>This bill:</p> <ol style="list-style-type: none"> <li><u>1. Establishes a program</u> administered by the Maine Fire Protection Services Commission <u>to provide grants to municipalities for regional fire service training.</u> Appropriates \$1,000,000 per year.</li> <li><u>2. Provides an income tax credit for employers who permit employees who are volunteer firefighters or volunteer municipal EMS persons to be absent from</u></li> </ol>	OTPA		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p><u>work for firefighting or EMS response activities without a reduction in pay and</u></p> <p>3. <u>Allows a municipality to provide benefits to residents of the municipality who are volunteer firefighters or volunteer municipal EMS persons.</u></p> <p><u>Sponsor proposed amendment:</u></p> <p>1. Reduce appropriation to \$200,000</p> <p>2. Delete Sec. 6, (municipal volunteer benefit)</p>			
740	459	4/7	4/22	O'Connell	An Act To Provide Municipalities a Percentage of the Revenue Generated from the Taxes Imposed on the Sale of Recreational Marijuana in Those Municipalities	<p>1. <u>Establishes fund to share sales tax and excise tax on adult use marijuana with municipalities</u></p> <p>2. <u>Transfers 25% of ST revenue and excise tax revenue (less administrative costs) on adult use marijuana to fund.</u></p> <p>3. <b>Distributes fund to municipalities</b> in proportion to the ratio of the marijuana revenue generated in the <u>municipality</u> to the total revenue generated by adult use marijuana establishments statewide.</p>	ONTP		
798	334	4/27	5/4 5/25	Pouliot	An Act To Improve the Educational Opportunity Tax Credit	<p>This bill <u>replaces current IT credit for educational opportunity</u> for tax years beginning on or after January 1, 2022.</p> <p>The bill <u>creates a new simplified tax credit for student loan repayment</u> applicable to tax years beginning on or after January 1, 2022. It 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, 2024.</p> <p><b>ELEMENTS OF NEW CREDIT:</b></p> <p>1. A <u>qualified individual</u> 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 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.</p> <p>2. <u>Loans obtained from related persons</u>, such as family members, and certain businesses, trusts</p>	tabled/ CO?	MRS preliminary fiscal impact	
								Admin costs: nominal can be absorbed	
								Revenue impact: Not available	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>and exempt organizations, <u>do not qualify</u> for the credit.</p> <p>3. The credit is <u>not refundable</u></p> <p>4. The credit allowed for qualified individuals is the <u>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.</u></p> <p>5. The credit allowed for employers is the <u>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, 2021.</u></p> <p>6. The credit is <u>available to the spouse</u> of an individual eligible for a credit even if the spouse is not employed.</p> <p>7. Income tax <u>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</u> for residents of the State employed by a business located in the State.</p> <p>8. The <u>annual credit may include loan amounts paid in excess of the amount due during a taxable year.</u></p> <p>9. Credits in excess of those that may be used during a taxable year <u>may be carried over for the next succeeding 5 years.</u></p> <p>The bill also provides an appropriation of \$75,000 annually to FAME to market the tax credit.</p>			
830	677	4/7	4/22	Perry	An Act To Restructure the Taxation of Adult Use Marijuana	<p>This bill:</p> <p>1. <u>Repeals the excise tax on adult use marijuana on January 1, 2022 and</u></p> <p>2. <u>Raises an estimated equivalent amount of revenue by increasing the sales tax on adult use marijuana and adult use marijuana products to 20% on January 1, 2022.</u></p>	OTPA/ ONTP		

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								FY22	FY23
						<p><b>CURRENT LAW:</b></p> <p>1. <u>Sales tax</u> on MJ: 10% on Adult use marijuana and adult use marijuana products 5.5% sales of medical marijuana 12% of ST revenue on adult use MJ goes to Adult Use Public Health and Safety Fund</p> <p>2. <u>Excise tax</u> on adult use marijuana cultivation facilities based on volume (varies by product)  12% of ExT revenue goes to Adult Use Public Health and Safety Fund</p>			
846	1622		4/27	Morales	An Act To Promote Benefit Corporations	<p><b>CONCEPT DRAFT:</b></p> <p>This bill proposes to increase public awareness of benefit corporations and their purpose and advantages. It also proposes to provide a tax incentive to offset the cost of establishing and maintaining a benefit corporation.</p> <p>Under 13-C MRSA 1811.1 “A benefit corporation must have a purpose of creating general public benefit.”</p> <p><b>SPONSOR PROPOSED AMENDMENT:</b> Changes bill to Resolve directing SoS and DECD to develop educational materials and services related to benefit corporations</p> <p>Sec. of State proposed changes.</p>	OTPA		
871	160		4/22	Perry	An Act To Clarify Certain Provisions Regarding the Marijuana Excise Tax	<p>Bill submitted by DAFS: This bill makes the following changes to the marijuana excise tax provisions.</p> <p>1. It <u>adds definitions</u> of “wet marijuana flower” and “wet marijuana trim.”</p> <p>2. It removes the “per pound or fraction thereof” <u>calculation of excise taxes for mature marijuana plants</u> and, beginning July 1, 2021, provides an excise tax of \$35 per mature marijuana plant.</p> <p>3. It <u>requires a cultivation facility licensee to calculate the taxable weight</u> by reducing the total weight of wet marijuana flower or wet marijuana trim</p>	OTPA		



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897	1751	4/7	4/20	Sophia Warren	An Act To Protect Maine Veterans from Unfair Consequences of Taxation Policy	<p>This bill is a <u>concept draft</u> pursuant to Joint Rule 208.</p> <p>This bill would protect Maine veterans from the unfair consequences of property taxation laws.</p> <p><u>Sponsor provided amendment at public hearing: Allows municipalities participating in the municipal option Municipal Property Tax Deferral Program for Senior Citizens to charge a lower interest rate than the rate required by statute (0.5% higher than the rate for delinquent taxes)</u></p>	OTPA		
950	1747	4/2	4/6	Bennett	An Act To Improve Maine's Economic Development Incentives	<p>This bill provides that the <u>FAME may not issue a certificate of eligibility for a refundable seed capital tax credit to a private venture capital fund until after certificates have been issued for nonrefundable credits and only if the annual limit on certificates will not be exceeded.</u></p> <p>The bill also provides ongoing appropriations of \$500,000 annually to the Governor's Jobs Initiative Program to be used as matching funds <u>for worker training or retraining in manufacturing industries.</u></p> <p><u>CURRENT LAW:</u> Investments made by private venture capital funds are refundable. Investments made by others are not refundable.</p> <p><u>Sponsor suggested change:</u> 1. 1/1 to 3/31 credits available to individual investors (not refundable) 2. 4/1 forward credits to private venture capital companies (refundable)</p>	ONTP		
953	1463	4/14	4/21	Deschambault	An Act To Improve Affordable Housing Options and Services To Address Homelessness	<p>This bill <u>permits TIF funds to be used by a municipality</u></p> <ol style="list-style-type: none"> <li>1. to <u>cover costs associated with the development of affordable housing in and outside development districts.</u></li> <li>2. for the use in <u>supporting housing services for persons who are homeless.</u></li> </ol>	OTPA		

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						<p>for the purpose of providing an incentive for development within the municipality.</p> <p>The bill also <u>corrects a conflict</u> in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1, paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by incorporating the changes made by both laws.</p> <p><u>Sponsor proposed amendment (as revised):</u> Contains clarifications of use of TIF funds for affordable housing.</p>			
966	1153	4/15	5/27	Tepler	Resolve, Establishing the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses	<p>This resolve <u>establishes the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses</u> and develop recommendations to:</p> <ol style="list-style-type: none"> <li>1. ensure tax policy is fair and equitable</li> <li>2. whether tax policy improves the competitive position of the State</li> <li>3. encourage investment in new and existing small businesses</li> <li>4. help attract skill workers</li> <li>5. level the playing field for small business</li> <li>6. aid entrepreneurs</li> <li>7. adequately fund important government services</li> </ol> <p>The bill directs the commission, no later than November 4, 2021, to <u>submit a report, including suggested legislation, for presentation to the Second Regular Session of the 130th Legislature.</u></p>	OTPA/ ONTP		
970	1272	4/2	4/8	Connor	An Act To Base the Motor Vehicle Excise Tax on Actual Sale Price	<p>This bill provides that,</p> <ol style="list-style-type: none"> <li>1. <u>for a motor vehicle purchased after December 31, 2022,</u></li> <li>2. <u>the motor vehicle excise tax must be based on the purchase price</u> for the motor vehicle</li> <li>3. <u>if purchased from a new vehicle dealer or a used car dealer.</u></li> </ol> <p><u>"Purchase price" means amount paid or financed after trade-in, rebates, discounts or paybacks.</u></p> <p><u>For other motor vehicles, the excise tax continues to be based on the maker's list price.</u></p>	ONTP		

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								FY22	FY23
						Bill does not provide for reimbursement to municipalities BMV and MRS have drafting and technical concerns.			
973	928		5/4	Wood	An Act Regarding the Educational Opportunity Tax Credit	This bill allows a qualified individual receiving a EdOp IT credit to 1. <u>claim payments made by April 1, 2021 on loan payments due in tax year 2020 and</u> 2. <u>To claim payments made until December 1, 2021 for loan payments due in tax year 2021.</u> 3. <u>For tax years beginning January 1, 2022, the bill allows prepayment prior to the due date on obligations for loans due that tax year and</u> 4. <u>For qualified individuals to be able to make catch-up payments in the first 2 years of their participation in the program.</u>	ONTP		
977	648		5/4	Hepler	An Act Regarding the Maine Educational Opportunity Tax Credit	Current law allows a <u>person who obtained an associate or bachelor's degree from an accredited Maine or non-Maine community college, college or university after December 31, 2015 and a person who obtained a graduate degree from an accredited Maine college or university after December 31, 2015 to be eligible for the educational opportunity tax credit.</u>  <u>This bill, for tax years beginning on or after January 1, 2022, expands eligibility for the tax credit to a person who obtained the same type of degrees after 12/31/11</u>	ONTP		
978	649	4/2	4/6 5/25	Hepler	An Act To Create an Access to Justice Income Tax Credit	This bill provides an <u>income tax credit for 5 years</u> for: 1. <u>Attorneys who practice law in the State and</u> 2. <u>Agree to practice for at least 5 years in an underserved area of the State as determined by the Supreme Judicial court.</u> 3. <u>On roster to accept court appointments in underserved areas</u> 4. <u>Agree to perform pro bono services in underserved areas</u> 5. <u>Is certified annually by Supreme Judicial Court as eligible</u>  <u>Eligibility for the credit is open from 2022 through 2027. The court may certify up to 5 eligible attorneys each year. Supreme Judicial Court reports to TAX and</u>	OTPA	MRS preliminary estimate Admin: Nominal/ absorbed Revenue: Not provided (insignificant?)	

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						TAX is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.  MRS has concerns  4-6 Tabled for more work b sponsor			
1046	1706	4/2	4/6	Terry	An Act To Create an Income Tax Return Checkoff for Hunger Prevention	This bill requires the inclusion of an <u>income tax check-off provision</u> on Maine income tax forms for taxpayers who wish to contribute to support the emergency food assistance program administered by the Department of Agriculture, Conservation and Forestry.  It also establishes the <u>Emergency Food Assistance Program Fund</u> , to which revenue collected from the income tax checkoff is credited.  <u>LD 691 in ACF Committee</u> establishes a "Fund to Address Food Insecurity" to support individuals in need and Maine food producers. Appropriates \$50,000. (WS scheduled 4/8)  DACF administers federal "Emergency Food Assistance Program (TEFAP)  <u>CURRENT LAW:</u> <u>Provides checkoff may not be listed on form for more than one year unless it raised at least \$25,000 in previous calendar year.</u>  MRS has technical concerns	OTPA		
1062	486	4/2	4/8	Cloutier	An Act To Phase Out the Insurance Premium Tax on Annuities	This bill phases out the <u>insurance premium tax on annuity considerations</u> over 10 years beginning in 2022 and provides that <u>during the phase-out period the retaliatory tax on non-Maine insurance companies does not apply.</u>  The bill also specifies that <u>deductions related to annuities may be deducted from annuity considerations for tax periods beginning on or after January 1, 2022.</u>	OTPA/ ONTP	MRS preliminary fiscal impact  Admin cost      FY 23 \$33,000  Revenue impact: Not available at time of PH  Fiscal note on LD 625, died on AT in 129th Year 1    ( \$303,000) Year 2    ( \$800,000)	

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								Year 3 (\$1,380,000)	Year 4 (\$1,970,000)
1067	679	2/13		Baldacci	An Act To Institute a State Tax Amnesty Program To Increase General Revenue Collections	<p>This bill, for the purposes of encouraging delinquent taxpayers to comply with the law, collecting unreported taxes and accelerating the collection of certain delinquent state tax liabilities, enacts the 2021 Maine Tax Amnesty Program.</p> <p><u>Under the program, a person with a tax delinquency as of September 30, 2021 may pay the taxes owed, plus half the accrued interest, without incurring a penalty or any other criminal or civil liability.</u> The period during which a delinquency may be paid under the 2021 Maine Tax Amnesty Program is from October 1, 2021 to December 31, 2021. The program is <u>not available for debts for which the State has secured a warrant or civil judgment</u> in the State's favor.</p> <p>From the effective date of this legislation until September 30, 2021, the State Tax Assessor is encouraged to offer a delinquent taxpayer the same benefits of the 2021 Maine Tax Amnesty Program in order to avoid having a taxpayer wait until October 1, 2021 or later to pay the delinquent taxes.</p> <p>MRS: "not warranted at this time."</p>			
1071	332	5/4	5/10	Pouliot	An Act To Reduce Property Taxes for Maine Residents	<p>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, 2021. This bill also increases state reimbursement to municipalities for homestead property tax exemptions from 70% to 100% for property tax years beginning on or after April 1, 2021.</p> <p>NOT UPDATED</p>	OTPA/ OTPA		
1118	910		4/29	Lawrence	An Act To Promote Reliable Rural High-speed Internet	<p>This bill provides an <u>income tax credit</u> for:</p> <ol style="list-style-type: none"> <li>1. <u>high-speed Internet</u> service providers</li> <li>2. who engage in a <u>project approved by the Commissioner of ECD</u></li> <li>3. that <u>provides high-speed Internet service</u></li> <li>4. <u>where the average number of potential customers per mile does not exceed 20 and</u></li> </ol>	ONTP		

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								FY22	FY23
						<p>5. <u>the cost to the customers does not exceed the CPI cost for high-speed Internet service in a metropolitan area.</u></p> <p>Applies to TYs beginning on or after 1/1/22.</p>			
1129	228	4/14		Matlack	An Act Relating to the Valuation of Retail Sales Facilities	<p>This bill provides that, in <u>establishing the just value of retail sales facilities.</u></p> <p>1. Consideration must be given to <u>3 recognized approaches to valuation of commercial property</u></p> <p>A. cost less depreciation B. income C. comparable sales</p> <p>and</p> <p>2. The assessor must <u>consider the value of reasonably similar properties</u> with regard to age, condition, use, type of construction, location, design, physical features and economic characteristics.</p>			
1132	1418	4/14	4/21	Morales	An Act To Encourage the Renovation of Available Housing Stock	<p>This bill establishes an expedited process for a <u>municipality to acquire clear title to abandoned property subject to a tax lien.</u></p> <p>The bill also <u>directs the Maine State Housing Authority to develop a program to purchase tax-acquired properties that have been renovated and to make them available for rent or for sale to first-time home buyers.</u></p> <p><b>Sponsor provided proposed amendment at PH:</b></p> <p>1. Substitutes a <u>different process for identification of abandoned property</u> (Municipal code enforcement officer certifies)</p> <p>2. Substitutes a <u>different process for MeSHA involvement</u> in property becoming available for affordable housing.</p>	OTPA	MRS preliminary fiscal impact Admin costs: can be absorbed	
1136	1500	5/6	5/11`	Harnett	An Act To Promote Fairness in Income Tax Rates by Making Them More Progressive	<p>This bill changes the individual income tax brackets to provide 4 brackets rather than 3. The bill adds a new bracket of 10.15% on taxable income exceeding \$100,000 for single individuals and married persons filing separately, \$150,000 for heads of households and \$200,000 for individuals filing married joint returns and surviving spouses.</p>	ONTP		

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1140	274	5/5	5/5 5/11	Corey	An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices	This bill establishes a <u>sales tax exemption for a safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms.</u>  5/5 WS voted OTPA (fno)  5/11 reconsidered voted OTPA (fno)	OTPA		
1145	1313		5/6	Warren	An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions	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.  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 an income tax exemption for those retirement benefits.	ONTP		
1156	1378	4/13		Arata	An Act To Reduce Errors in Employment Tax Increment Financing Benefits	This bill makes changes to the ETIF program for calendar years beginning with 2022 <u>by basing benefits on the gross wages of qualified employees rather than on income tax withholding for those employees.</u>  The bill directs the DECD and the State Tax Assessor to take actions, including the <u>adoption of routine technical rules, to implement the change.</u>  DECD recommends holding any changes until next year. Evaluation of Pine Tree Zone Program and ETIF currently under way.			
1162	310	5/5	5/10	Cebra	An Act To Dedicate a Percentage of the Sales and Use Tax on Motor Vehicles and Motor Vehicle Parts to the Highway Fund	This bill provides that 20% of the sales or use tax on motor vehicles and motor vehicle parts must be transferred to the Highway Fund beginning in 2022.  NOT UPDATED	ONTP		
1166	1844	4/7	4/20	Dodge	An Act To Increase the Property Tax Exemption for Veterans by 50 Percent	This bill increases by 50%, for tax years beginning on or after April 1, 2022, the property tax exemption for all categories of eligible veterans other than paraplegic	ONTP		

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						<p>veterans receiving a \$50,000 exemption for specially adapted housing units.</p> <p><b>CURRENT LAW:</b>  WWI vets and survivors \$7,000  Other vets and survivors \$6,000</p> <p>Bill increases to:  WWI vets and survivors \$10,050  Other vets and survivors \$ 9,000</p> <p>Sponsor testimony indicates she also supports other expansions (age, %, merchant mariners, any military)</p> <p>MRS has technical concerns.</p>			
1174	698	4/14	4/21	Ordway	An Act To Allow Municipalities To Send Separate Tax Bills for Municipal, County and School Taxes	<p>This bill <u>permits municipalities to issue separate property tax bills</u> for the portion of their tax commitments attributable to:</p> <ol style="list-style-type: none"> <li><u>education funding</u> and</li> <li>the portion attributable to <u>county taxes and all other municipal costs.</u></li> </ol> <p><b>CURRENT LAW:</b>  <u>Permits municipal tax bills to identify</u></p> <ol style="list-style-type: none"> <li>% distributed to <ol style="list-style-type: none"> <li>education</li> <li>local govt</li> <li>county govt</li> <li>state govt</li> </ol> </li> <li>Outstanding municipal <u>bonded indebtedness</u></li> <li><u>Due date and interest</u> of delinquent taxes</li> </ol>	ONTP	Fiscal note No fiscal impact because local option.	
1181	1541	4/7	4/20	Wadsworth	An Act To Reduce Property Taxes on the Primary Residence of Veterans Who Are 100 Percent Disabled Due to Service-connected Disabilities	<p>CONCEPT DRAFT:</p> <p>This bill proposes to reduce property taxes on the primary residence of veterans who are 100% disabled due to service-connected disabilities.</p>	ONTP		
1184	1067		5/6	Wadsworth	An Act To Exempt from Taxation Certain Out-of-state Pensions	<p>This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income.</p>	ONTP/ OTPA		



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						<p>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.</p> <p>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.</p>			
1185	675	4/7	4/22	Perry	An Act To Distribute Tax Revenue To Offset Costs Incurred by Adult Use Marijuana Host Municipalities	<p>1. <u>Establishes fund</u> to share sales tax and excise tax on adult use marijuana with municipalities</p> <p>2. <u>Transfers 12% of ST revenue and excise tax revenue (less administrative costs) on adult use marijuana to fund.</u></p> <p>3. <b>Distributes fund to municipalities</b> in <u>proportion to the ratio of the marijuana revenue generated in the municipality to the total revenue generated by adult use marijuana establishments statewide.</u></p>	ONTP		
1193	1117	4/13	4/27	Brooks	An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax	<p>This bill provides a <u>MVET exemption for veterans</u> who are permanently disabled and are <u>receiving benefits based on 100% service-connected disability.</u></p> <p><u>MRS recommends using language in property tax exemption for disabled veterans”</u></p> <p>Veterans: “(2) Who are disabled by injury or disease incurred or aggravated during active military service in the line of duty and are receiving any form of pension or compensation from the United States Government for total, service-connected disability.”</p>	OTPA	Preliminary MRS fiscal info Admin costs: can be absorbed	

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1195	800	4/7	4/22	Roberts	An Act To Increase Funding to Qualifying Municipalities by Sharing Adult Use Marijuana Sales and Excise Tax Revenue	<p>1. <u>Establishes fund</u> to share sales tax and excise tax on adult use marijuana with municipalities</p> <p>2. <u>Transfers 5% of ST revenue and excise tax revenue (less administrative costs) on adult use marijuana to fund.</u></p> <p>3. <u>Distributes fund to municipalities in proportion to the ratio of the marijuana revenue generated in the municipality to the total revenue generated by adult use marijuana establishments statewide.</u></p>	OTPA fno/ ONTP		
1203	885	4/13	4/27	Fay	An Act To Amend the Application of the Excise Tax on Noncommercial Watercraft Temporarily in the State	<p><b>CURRENT LAW:</b> Exempts from watercraft excise tax:</p> <p>1. <u>commercial watercraft</u> without an established base of operations in the State and</p> <p>2. <u>all other watercraft that are not present</u> in the state for <u>more than 75 days during the year.</u></p> <p><u>This bill reduces from 75 days to 28 days the length of time noncommercial vessels may be in Maine without being subject to the watercraft excise tax.</u></p>	ONTP		
1209	2011		5/13	Terry	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2021-22	<p>This bill establishes <u>municipal cost components</u> for “municipal services” provide by the State and counties in the unorganized territory that would normally be paid for by a municipality.</p> <p>The municipal cost components constitute the basis for the property tax for the unorganized territory.</p>	OTPA		
1216	494	4/13	4/27	Terry	An Act To Amend the State Tax Laws	<p><b>ANNUAL BILL SUBMITTED BY DAFS/MRS:</b></p> <p><u>Part A makes changes to the insurance premiums and income tax law.</u> Part A:</p> <p>1. Changes the due dates for community colleges, colleges and universities, Department of Education and Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy reports on the implementation of the educational opportunity tax credit from February 1, 2021, for the</p>	OTPA		

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						<p>colleges, and March 1, 2021, for the Department of Education and Office of Tax Policy, to February 1, 2022;</p> <p>2. Repeals the requirement that remaining funds in the Medical Use of Marijuana Fund be used to fund the cost of the INCOME tax deductions provided pursuant to the Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph PP and Title 36, section 5200-A, subsection 2, paragraph BB and the cost of the position in the Department of Administrative and Financial Services, Bureau of Revenue Services to administer the tax deductions;</p> <p>3. Expands the so-called Maine insurance premiums retaliatory tax to include insurance companies incorporated in the District of Columbia or a possession of the United States;</p> <p>4. Clarifies that the Maine reporting and tax payment requirements related to federal partnership adjustments under the new federal centralized partnership audit rules includes negative federal adjustments arising from Internal Revenue Service partnership audits and administrative adjustment requests filed with the Internal Revenue Service, and amends the requirements to allow a refund directly to the partnership in lieu of a refund to the affected partners to the extent that negative adjustments exceed positive adjustments;</p> <p>5. Clarifies that the Maine reporting and tax payment requirements related to federal partnership adjustments under the new federal partnership audit rules also apply to a partnership that has filed an administrative adjustment request with the federal Internal Revenue Service;</p> <p>6. Establishes a penalty for persons who fail to provide returns of information to the State Tax Assessor or who willfully furnish to the assessor a false or fraudulent return of information. Generally, returns of information consist of Forms W-2, Forms 1099 and other similar forms containing tax information necessary for filing Maine tax returns. Similar to the penalty imposed for failure to provide information statements, or for willfully</p>			

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						<p>providing a false or fraudulent statement to payees, the penalty is \$50 for each failure to provide a return of information to the State Tax Assessor. The penalty applies to returns of information required to be filed on or after January 31, 2022;</p> <p>7. Makes the following changes to the renewable chemicals tax credits:  A. Adds taxpayer information reporting and 3rd-party testing and verification credit requirements, to be specified by rules of the State Tax Assessor;  B. Clarifies that the renewable chemicals may not be sold as food, feed or fuel and that they must be produced in Maine; and  C. Modifies the February 1, 2024 report on the renewable chemicals tax credit issued by the Department of Economic and Community Development to remove required reporting on the number of indirect jobs created and to include reporting on the newly reinstated credit for biofuel commercial production and commercial use under Title 36, section 5219-X.</p> <p><u>Part B makes changes to the sales tax law</u>, applicable to sales occurring on or after January 1, 2022. Part B:</p> <p>1. Clarifies that the Title 36, Part 3 definition of "in this State" includes sales of tangible personal property and taxable services sourced in this State pursuant to Title 36, section 1819;</p> <p>2. Repeals the presumptive sales and use tax registrations requirements for affiliate-based and certain agent-based connections with the State;</p> <p>3. Corrects a conflict created when 2 different public laws enacted the same section of law and:  A. Clarifies that the remote seller and marketplace registration requirements apply based on sales in this State and not the location from which they are delivered;  B. Repeals the remote seller and marketplace facilitator sales and use tax registration requirement for persons or marketplace facilitators, respectively, with at least 200 separate sales transactions in the State; and</p>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>C. Clarifies the agent, representative, salesperson, solicitor or distributor registration requirements by removing the redundant term "storage"; and</p> <p>4. Expands the sales and use tax sourcing provision to apply to all sales and not just retail sales.</p> <p><u>Part C makes changes to the property tax law. Part C:</u></p> <p>1. Lowers the declared ratio accuracy threshold from within 20% to within 10% of the state valuation ratio last determined to align with the accuracy requirement provided for state reimbursement for the homestead exemption; and</p> <p>2. Updates and aligns the audit authority for exemptions that are reimbursed by the State to municipalities, allowing for the audit of all reimbursable exemptions.</p> <p><u>Part D makes the following updates to respond to certain COVID-19 impacts</u> and is effective when approved. Part D:</p> <p>1. Aligns the Title 36 definitions of "disaster period" with the Title 10, section 9902 definition;</p> <p>2. Relaxes the "work in Maine" requirement of the educational opportunity tax credit by deeming a qualified individual who worked in this State immediately prior to, or at any point during, the state of emergency declared by the Governor due to the COVID-19 pandemic to have worked in this State for the entire state of emergency;</p> <p>3. Relaxes the primary use requirement of the sales tax exemption for machinery and equipment by determining the equipment's primary use based only on the days in use; and</p> <p>4. Allows taxpayers to use the sourcing law of another jurisdiction when calculating the credit for income tax paid to other jurisdictions in certain COVID-19 pandemic-related teleworking circumstances.</p>			

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						<p><u>Part E clarifies and simplifies the corporate income tax law by establishing clearly defined, objective nexus thresholds as a practical structure for the current general "economic nexus" standard. These so-called factor presence thresholds clarify the minimum thresholds that, when exceeded by a corporation, subject that corporation to the Maine corporate income tax. In addition, the new thresholds create a safe harbor for corporations with little activity within the State that nonetheless have nexus under current law due to a small, but greater than de minimis, physical presence in the State. The new thresholds are \$250,000 of property, \$250,000 in payroll or \$500,000 in sales in Maine, or 25% of total property, payroll or sales in Maine, as determined under Title 36, chapter 821. The thresholds apply to tax years beginning on or after January 1, 2022.</u></p> <p><u>Part F updates, clarifies and simplifies the service provider tax law regarding consumer purchases of digital media by equalizing the tax treatment between the various modes of purchase for sales occurring on or after October 1, 2021.</u></p> <p><u>MRS has proposed amendment.</u></p>			
1222	246	5/12	5/25	Black	An Act To Reduce Property Taxes of Seniors in an Amount Equal to the Cost of Education	<p>This bill provides a <u>property tax "exemption"</u> for</p> <ol style="list-style-type: none"> <li><u>individuals 65 years of age or older</u></li> <li><u>equal in value to the amount of those taxes the municipality in which the real estate is located would otherwise use to fund its public schools.</u></li> </ol> <p>The bill applies to <u>property tax years beginning on or after April 1, 2021.</u></p> <p><u>Raises constitutional concerns.</u></p>	ONTP	<p>MRS preliminary fiscal impact</p> <p>Admin costs: \$75,000 to \$125,000</p> <p>Reimbursement to municipalities likely to be substantial.</p>	
1227	1268		5/6	Dodge	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	<p>This bill establishes an income tax deduction for taxpayers who receive civil service retirement plan benefits that do not participate in the federal Social Security program in recognition of the fact that the current law provides an income tax deduction for all</p>	OTPA		

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						<p>Social Security benefits in addition to a \$10,000 pension exemption for retirement plan benefits.</p> <p>The bill phases in greater parity in the treatment of the 2 types of pension systems by increasing the civil service pension deduction amount by \$5,000 per year until 2025 when it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act.</p>			
1243	818			Sampson	An Act To Exempt from Taxation Out-of-state Pensions	This bill exempts from Maine income tax the portion of retirement benefits attributable to a taxpayer's contribution to an employee retirement plan or an individual retirement account the taxpayer contributed to while the resident of another jurisdiction if those benefits are included in federal adjusted gross income.	ONTP		
1247	755	4/14	4/21	Dill	An Act To Place a Moratorium on Property Revaluations for Tax Purposes during a State of Emergency	<p>This bill <u>requires a municipality or state department or agency to temporarily halt a property revaluation required by state law during a state of emergency and to resume the revaluation upon the termination of the emergency.</u></p> <p>MRS raises administrative issues, interpretation issues, and potential constitutional issues</p>	ONTP		
1251	1373	4/15	4/29	Arata	An Act To Encourage Charitable Giving	<p>This bill allows individuals, beginning with 2021 tax years, to claim itemized charitable income tax deductions that exceed the State's limit on itemized deductions.</p> <p><u>CURRENT LAW:</u> Limit on itemized deductions (excluding medical and dental expenses) is \$28,350.</p>	ONTP/ OTPA		
1257	752	4/15	4/29	Lookner	An Act To Encourage Inclusionary Zoning in Municipalities by Increasing Revenue Sharing	<p>This bill creates an additional level of state-municipal revenue sharing to provide additional resources to municipalities with inclusionary zoning to <u>increase the availability of affordable housing.</u></p> <p>The bill requires the <u>transfer from the General Fund to the Inclusionary Zoning Fund of 0.25% of the revenue sharing base (IT, ST, portion of SPT).</u></p>	ONTP		

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						Amounts received by the Inclusionary Zoning Fund are distributed to municipalities with "inclusionary zoning" in proportion to relative population of the municipalities.			
1261	1614	4/15	4/29	Hepler	An Act To Improve Camping Opportunities in Maine by Exempting Certain Campground Rental Fees from the Sales and Use Tax	<p>This bill <u>repeals the definitions of "tourist camp" and "trailer camp" and replaces those terms with the term "campground" in the sales and use tax law.</u></p> <p>This bill <u>exempts from sales and use tax rental fees charged to a person who resides for 28 days or longer at one campground.</u></p> <p>This bill <u>also exempts from the sales and use tax the rental of a site at a campground regardless of the number of days of residence as long as nothing else of value is provided by the owner of that campground to the renter.</u></p>	ONTP/ OTPA		
1277	265	5/5	5/18	Fecteau	An Act To Remove Sales and Use Taxation on Monetary Metals	<p>This bill provides a <u>ST exemption for the sale of specie, defined as</u></p> <ol style="list-style-type: none"> <li>1. <u>coins with gold or silver content or</u></li> <li>2. <u>refined gold or silver bullion coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not its form.</u></li> </ol> <p>Covers the same items as LD 1371.</p>	OTPA/ ONTP		
1283	1391	5/12	5/13	Martin	An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access	Beginning 4/1/22, this bill excludes from benefits under the Maine Tree Growth Tax Law a parcel of land to which public access for recreational use is limited or prohibited by the owner	ONTP		
1289	640	5/6	5/11 5/18	Perry	An Act To Cut Property Taxes for Maine Residential Homeowners	This bill creates a new income tax rate of 7.95% for tax years beginning on or after January 1, 2022 for income exceeding \$300,000 for single individuals and married persons filing separately, \$450,000 for individuals filing as heads of household and \$600,000 for individuals filing married joint returns or as surviving spouses. The bill also increases the homestead property tax exemption from \$25,000 in 2021 to \$35,000 in 2022, \$45,000 in 2023 and \$55,000 in 2024.	tabled		



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1334	1105	5/13	5/10	Salisbury	An Act To Promote Economic Development through Increased Film Incentives	<p>CURRENT LAW provides:</p> <ol style="list-style-type: none"> <li>1. <u>Nonrefundable income tax credit</u> equal to 5% of <u>nonwage visual media production expenses</u> (VMPE) if company has more than \$75,000 VMPE.</li> <li>2. <u>Reimbursement for certified production wages</u>: 12% for wages paid to Maine residents and 10% for wages paid to nonMaine residents.</li> </ol> <p>This bill makes <u>multiple changes to the tax credits</u> available to <u>visual media production companies</u> operating in the State.</p> <ol style="list-style-type: none"> <li>1. The bill makes the available tax credits refundable,</li> <li>2. increases the credits for certain expenses incurred in Maine and for hiring residents of Maine and</li> <li>3. offers additional credits for visual media productions that are located in certain Maine counties, are set in Maine or have a lead cast member, writer or director who is a Maine resident.</li> </ol> <p>The bill also</p> <ol style="list-style-type: none"> <li>1. reduces the total expenditures needed to qualify for the credits,</li> <li>2. extends the time period for visual media production companies to certify with DECD and</li> <li>3. sets a \$500,000 limit on the total value of the tax credits that increases to \$1,000,000 after January 1, 2026.</li> </ol> <p>The bill makes other changes necessary for these provisions.</p>	tabled		
1335	629	4/15	5/27	Tepler	An Act To Provide for Exemption from the Sales Tax for Basic Needs Products and Offset the Loss of Revenue	<p>This bill amends the definition of "grocery staples" <u>exempt from the sales tax</u> to include <u>toilet paper, diapers or menstrual products</u>, effective August 1, 2022.</p> <p>The bill requires <u>Maine Revenue Services to study</u></p> <ol style="list-style-type: none"> <li>1. amount of <u>any sales tax revenue lost</u> by classifying toilet paper, menstrual products and diapers as grocery staples, as exempt from sales tax.</li> </ol>	OTPA		

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						<p>2. <u>available options to offset any lost sales tax revenue, including taxation of imported luxury foods.</u></p> <p>Maine Revenue Services is directed <u>to submit a report to the TAX Committee by December 1, 2021</u>, and the committee is authorized to submit a bill based on the report to the Second Regular Session of the 130th Legislature.</p>			
1337	103	4/14		Kessler	An Act To Increase Affordable Housing and Reduce Property Taxes through an Impact Fee on Vacant Residences	<p>This bill <u>creates a residential vacancy impact fee for certain vacant residential property.</u></p> <p>Property is <u>"vacant"</u> if it has not been occupied by a permanent resident at least 180 days during the previous calendar year.</p> <p><u>Vacancy fee is 0.5% of the equalized value of the residential property (excluding land value)each year</u></p> <p>The <u>revenue from the impact fee</u> after reduction for administrative costs, is <u>distributed</u>:</p> <ol style="list-style-type: none"> <li>1. 50% to the HOME fund to be used to <u>fund affordable housing activities</u> and</li> <li>2. 50% to the Local Government Fund to be used to <u>reimburse municipalities for the Maine residents homestead property tax exemption</u> (usual revenue sharing distribution formula -- not directly tied to homestead exemption).</li> </ol> <p><u>MRS is required to submit a report</u> to the TAX Committee by 12/1 after the first full year after imposition of a vacancy impact fee identifying <u>experience with the impact fee</u></p> <p>STA, MeSHA and State Treasurer required to submit data reports to OPEGA.</p> <p>The bill also <u>requires the impact fee to be evaluated</u> by the Office of Program Evaluation and Government Accountability in the same manner as are tax expenditures and identifies policy objectives and performance measures.</p>			

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						OPEGA notes that the impact fee is not a tax expenditure and different procedure should be followed.  MRS raises concerns about administrative responsibilities, drafting concerns, state mandate requirements and constitutional concerns.			
1342	559	5/5	5/11	Sylvester	An Act To Authorize a Local Option Sales Tax on Lodging and Other Goods and Provide Funding for Tax Abatement and Rental Relief	This bill allows a municipality to impose a local option sales tax of 1% on lodging that is currently subject to the sales and use tax if approved by referendum of the voters in that municipality. Ninety percent of the revenue from the local option sales tax is distributed to the municipality imposing the local option sales tax. The other 10% is distributed to the Maine State Housing Authority, which is required to establish a program of property tax relief and rent relief for municipalities using the revenue.  Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law. The local option sales tax may not take effect before July 1, 2022.	OTPA		
1355	1998	5/4	5/10	Pouliot	An Act To Amend the Motor Vehicle Excise Tax Exemption for Veterans Who Are Disabled	This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.  NOT UPDATED	ONTP		
1362	208	5/5	5/11	Davis	An Act To Excuse Certain Marketplace Sellers and Facilitators for Failing To Collect and Remit Sales and Use Taxes on Ammunition Sales	This bill provides that a marketplace facilitator or marketplace seller that sold ammunition to residents of the State between July 1, 2018 and September 1, 2021 may not be assessed a penalty for or charged interest on the untimely remittance of the sales taxes imposed on those sales if it remits the taxes owed the Department of Administrative and Financial Services, Maine Revenue Services no later than October 31, 2021.	ONTP/ OTPA		
1369	1477	5/6	5/11 5/18	Andrews	An Act To Provide Stimulus for Economic Recovery by Enacting a 5 Percent Flat Income Tax	This bill, for tax years beginning on or after January 1, 2021, replaces the current income tax structure for individual income taxes with a flat 5% tax imposed on all individual Maine residents.	ONTP/ OTPA		

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1371	1441	5/5	5/18	Cebra	An Act To Exempt Gold and Silver Transactions from State Sales and Use Tax	This bill provides a ST exemption for the sale of: 1. <u>coins with gold or silver content</u> or 2. <u>refined gold or silver bullion coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not its form.</u>  Covers same items as LD 1277.	OTPA/ ONTP		
1381	1145	5/5	5/10	Morris	An Act To Establish a Sales Tax Holiday To Help Maine Businesses Affected by the COVID-19 Pandemic	This bill establishes the weekend of Indigenous Peoples Day as an annual sales-tax-free weekend for sales of tangible personal property and prepared food and the rental of living quarters. The exemption does not apply to tobacco products, boats, vehicles or any single item with a cost of more than \$2,500.  NOT UPDATED	ONTP/ OTPA		
1382	1686	5/13	5/26	Collings	An Act To Invest in Maine's Roads and Bridges	<u>CURRENT LAW:</u> gas tax           30¢ per gallon diesel             31.2¢ per gallon <u>All fuel taxes go to Highway Fund</u> and must be used for roads and bridges and traffic enforcement.  This bill <u>increases fuel taxes</u> by: 4¢/gallon beginning October 1, 2021, an additional 3¢/gallon beginning 10/1/22, an additional 3¢/gallon beginning 10/1/23 and an additional 2¢/gallon beginning 10/1/24.  The bill also establishes a <u>refundable income tax credit of \$100 for individuals with FAGI that is lower than the federal poverty level.</u>  MRS has technical concerns.	ONTP/ OTPA	MRS preliminary fiscal impact  Admin costs FY 22               \$76,000 FY 23               \$87,000  Revenue impact   Not provided	
1395	1288	5/5	5/11	Connor	An Act To Suspend Meals and Lodging Taxes until 12 Months after the COVID-19 Civil Emergency	This bill provides an exemption from the sales tax imposed on the sale of prepared food and the rental of living quarters during the state of emergency declared by the Governor due to the COVID-19 pandemic and for one year after that state of emergency is terminated.	ONTP		

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1406	847	5/12	5/19	Stewart	An Act To Encourage Relocation to Rural Maine	<p>This bill creates a <u>refundable income tax credit</u> for up to 5 years for a <u>person who relocates from a location that is not a rural area to a location that is a rural area</u>.</p> <p>The credit is equal to</p> <ol style="list-style-type: none"> <li>1. the <u>lesser of the person's property tax bill</u> in the rural area or <u>\$2,000</u></li> <li>plus</li> <li>2. lesser of the persons <u>Internet connectivity expenses</u> or <u>\$1,000</u>.</li> </ol> <p>The credit <u>may be claimed for a total of 5 years</u> for a person who moves from outside a rural area to a residence within a <u>rural area, defined as Aroostook County, Somerset County, Piscataquis County and Washington County</u>.</p> <p>Credit begins with 1/1/22 tax years.</p>	Tabled		
1410	1570		5/4	Brenner	An Act To Incentivize the Development of the Labor Force in the Green Jobs Sector through Assistance in Repaying Student Loan Debt	<p>This bill creates a Maine income tax credit for:</p> <ol style="list-style-type: none"> <li>1. <u>Maine residents</u></li> <li>2. <u>who work in certain green jobs</u> or in the fields of science, technology, engineering or mathematics</li> <li>3. <u>in this State</u> and</li> <li>4. <u>who make student loan payments</u> related to their attendance at an accredited community college, college or university.</li> </ol> <p>The <u>income tax credit</u> is equal to the <u>lesser of</u></p> <ol style="list-style-type: none"> <li>1. a benchmark loan payment amount calculated by the State Tax Assessor and</li> <li>2. the taxpayer's monthly loan payment amount, multiplied by the number of months that the taxpayer made loan payments within the taxable year.</li> </ol> <p>The income tax credit is <u>refundable</u> to the extent that the taxpayer's <u>loans were part of financial aid package to obtain or attempt to obtain an associate, bachelor's or graduate degree from an accredited community college, college or university</u>.</p>	ONTP		
1413	1471			Rafferty	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	<p>This bill establishes an income tax exemption for civil service retirement plan benefits for recipients who do not participate in the federal social security program in recognition of the fact that the current law provides an</p>	ONTP/ OTPA		

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								FY22	FY23
						income exemption for all social security benefits in addition to a \$10,000 pension exemption for retirement plan benefits. The bill phases in greater parity in treatment of the 2 types of pension systems by increasing the civil service pension deduction amount by \$5,000 per year until 2025 when it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act.			
1418	1464	5/5	5/11	Luchini	An Act To Allow a Local Option Sales Tax on Meals and Lodging	This bill allows a municipality to impose a local option sales tax of no more than 1%, which may be seasonal, on prepared food, not including marijuana or marijuana products, and short-term lodging if approved by referendum of the voters in that municipality. Revenue from the local option sales tax is distributed at the rate of 85% to the municipality and 15% to all other municipalities. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.	ONTP		
1423	1104	5/13	5/26 TPA/ ONTP	McCreight	An Act To Prevent and Reduce Tobacco Use by Ensuring Adequate Funding for Tobacco Use Prevention and Cessation Programs and by Raising the Tax on Tobacco Products and To Provide Funding To Reduce Disparities in Health Outcomes Based on Certain Factors	<p>This bill ensures <u>future funding for the existing Tobacco Prevention and Control Program</u> administered by the Department of Health and Human Services, Bureau of Health <u>may not be less than the lesser of:</u></p> <ol style="list-style-type: none"> <li>1. the <u>actual revenue collected on the sales of all tobacco products plus available funds in the Fund for a Healthy Maine or</u></li> <li>2. the <u>amount of funding for state tobacco control programs as determined by the US DHHS, Centers for Disease Control and Prevention and recommended for Maine,</u></li> </ol> <p>This bill <u>increases the cigarette tax from \$2.00 per pack of 20 cigarettes to \$4.00 per pack of 20 cigarettes, beginning November 1, 2021.</u> Because the tax on other tobacco products is determined by the tax on cigarettes, this bill, by operation of law, <u>increases the tax on other tobacco products, such as cigars and smokeless tobacco, by the same percentage change as the increase in the tax on cigarettes.</u></p> <p>Finally, this bill provides <u>funding in fiscal years 2021-22 and 2022-23 to Maine CDCP as follows:</u></p>		MRS preliminary fiscal impact  Not provided	

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						<p>1. For the purposes of <u>tobacco use prevention and cessation, \$7,000,000 annually</u> in order to attain the amount of funding recommended by the federal Centers for Disease Control and Prevention; and</p> <p>2. To allow the center to <u>research, identify and reduce health disparities in health care outcomes based on race, ethnicity, sexual orientation, gender identification, income, educational attainment or geographic location, \$10,000,000 annually, but only for the 2022-2023 biennium.</u></p> <p><u>LD 1693 in HHS Committee also increases the tax on cigarettes and tobacco products by the same amount as this bill. Establishes "Trust for a Healthy Maine."</u></p> <p><u>LD 1693 was tabled in HHS on 5/20.</u></p>			
1443	1756	5/6	5/11 5/18	Collings	An Act Regarding Higher Income Tax Levels	This bill establishes 5 new tax brackets for income exceeding \$100,000 for persons filing as single individuals or married individuals filing separately, \$150,000 for individuals filing as head of household and \$200,000 for individuals filing married joint returns or surviving spouses.	ONTP		
1448	1597	5/4	5/10	Talbot Ross	An Act To Increase State Reimbursement to Municipalities for Revenue Lost Due to the Homestead Property Tax Exemption	<p>This bill increases the state reimbursement for the property tax revenue lost by a municipality due to the Maine resident homestead property tax exemption to 100% beginning with property tax years beginning on or after April 1, 2022. This bill also specifies that the property tax assessed on a homestead eligible for the homestead exemption may not be less than \$100.</p> <p>NOT UPDATED</p>	OTPA/ ONTP		
1458	1415		5/4	Babbidge	An Act To Expand Incentives To Live and Work in Maine through a Partial Tax Credit for Certain Student Loans	<p>This bill provides a <u>nonrefundable income tax credit:</u></p> <p>1. <u>up to \$1,000 per year for eligible individuals</u></p> <p>2. <u>for certain student loan payments</u> made during the tax year</p> <p>3. <u>if the individuals were employed in Maine</u> for at least 4 months of the tax year for which the credit is first claimed and for every month thereafter in years for which the credit is claimed.</p>	ONTP		

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						<p>"Eligible individual" is a resident individual who had received degree from accredited Maine or non-Maine community college, college or university.</p> <p>The credit is equal to the lesser of:</p> <ol style="list-style-type: none"> <li>1. 50% of the loan payments actually made and</li> <li>2. 50% of income tax liability in the first year in which the credit is claimed, which declines to 10% of income tax liability in the 5th and final year in which the credit is claimed.</li> </ol> <p>The credit may not exceed 50% of the individual's outstanding student loan debt and may not be claimed if the individual claims the credit for educational opportunity.</p>			
1462	1414	5/5	5/10	Babbidge	An Act To Serve the Public Interest, Promote Journalism and Save Jobs by Restoring the Sales and Use Tax Exemption for Newspapers	<p>This bill provides an exemption from the sales and use tax for newspapers serving the public interest, which are publications on newsprint, sold for money and published not less than once every 2 weeks, that provide news coverage on the activities of state and local governments and community affairs and that provide a format for editorial commentary.</p> <p>NOT UPDATED</p>	ONTP/ OTPA		
1468	205	5/5	5/10	Stearns	An Act To Support All-terrain Vehicle Trail Improvement	<p>This bill requires all use taxes collected on the rental of all-terrain vehicles to be deposited in the ATV Recreational Management Fund.</p> <p>NOT UPDATED</p>	OTPA		
1482	1310	5/4	5/10	Grohoski	An Act To Improve Access to Property Tax Exemptions for New Homeowners	<p>This bill removes the requirement that a person own a homestead in this State for 12 months before being eligible for the homestead property tax exemption. This bill also requires the State to provide reimbursement of 100% of the revenue lost by a municipality due to removing that 12-month requirement, but only for the first year of eligibility. If a resident is eligible for the homestead exemption but does not take it until after the first year of eligibility, that exemption is eligible only for 70% reimbursement by the State. After the first year of eligibility, the state reimbursement rate drops to the current rate of 70%.</p>	OTPA		



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								FY22	FY23
						NOT UPDATED			
1500	1697	5/6	5/11 5/18	Lookner	An Act To Bring Equity to Maine's Tax Law by Adjusting Certain Individual Income Tax Rates	This bill changes the individual income tax brackets to provide 4 brackets rather than 3. The bill adds a new bracket of 12.4% on taxable income exceeding \$200,000 for single individuals and married persons filing separately, \$300,000 for heads of households and \$400,000 for individuals filing married joint returns and surviving spouses.	ONTP		
1514	935	5/12	5/26	Lookner	An Act To Provide for Fairness in Property Taxation by Assessing a One-time Tax on Financial Assets	<p>This bill establishes a one-time tax on any person <u>owning financial assets</u>, including cash and cash equivalents, securities and other financial instruments, with a fair market value in excess of \$5,000,000.</p> <p>The <u>tax is equal to 0.5% of the amount by which the fair market value of a person's financial assets exceeds \$5,000,000</u></p> <p>TP files statement; the <u>State Tax Assessor determines the amount of tax due</u>, enforces the collection of the tax and may adopt routine technical rules necessary to administer and enforce the tax.</p> <p><u>Distribution of revenue:</u></p> <ol style="list-style-type: none"> <li><u>50% of the receipts from the tax to the Local Government Fund</u> and</li> <li><u>50% of the receipts from the tax to the Housing Opportunities for Maine Fund.</u></li> </ol> <p>Tax <u>applies only to tax years beginning on 1/1/21.</u></p> <p><u>MRS has significant technical and administrative concerns.</u></p>	OTPA/ ONTP	MRS preliminary fiscal impact	
								Admin costs: FY 22 \$100,000+	
								Revenue impact	Not available
1516	1982	5/4	5/11	Pouliot	An Act To Amend the Property Tax Exemption for Persons Who Are Legally Blind	This bill amends the property tax exemption available to a resident of the State who is legally blind to exempt 10% of the just value of residential real estate owned by the resident from the property tax.	ONTP		
1524	1459	5/13	5/26	Collings	An Act To Amend the Maine Exclusion Amount in the Estate Tax	This bill returns the exclusion amount, below which the Maine estate tax does not apply, <u>to \$2,000,000 from the</u>	OTPA/ ONTP	MRS preliminary fiscal impact	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>\$5,600,000 in current law for estates of decedents dying on or after January 1, 2022.</p> <p><u>SAME AS LD 1704:</u> This bill also creates an <u>additional exclusion amount</u> of up to \$3,800,000 from the estate tax for:</p> <ol style="list-style-type: none"> <li>1. <u>family farms and</u></li> <li>2. <u>commercial aquaculture,</u></li> <li>3. <u>commercial fishing and</u></li> <li>4. <u>commercial wood harvesting businesses</u></li> </ol> <p>This additional exclusion applies to</p> <ol style="list-style-type: none"> <li>1. <u>farmland</u></li> <li>2. <u>depreciable machinery and equipment</u> used in commercial agriculture, aquaculture, fishing or wood harvesting</li> <li>3. that is <u>inherited by a family member</u> and</li> <li>4. <u>remains in commercial use for 5 years</u> following transfer.</li> </ol> <p>Both the \$2,000,000 exclusion amount and the \$3,800,000 <u>additional exclusion amount</u> are <u>annually adjusted for inflation beginning in 2024.</u></p>		<p>Admin costs: FY 22 \$338,960 FY 23 641,612</p> <p>Revenue impact: Not provided</p>	
1525	2004	5/4	5/10	Tuttle	An Act To Exempt from Sales Tax Plastic Bags Required by a Municipal Solid Waste Management Program	<p>This bill exempts from sales tax certain plastic bags that a municipality or other political subdivision of the State requires for the storage or disposal of solid waste in accordance with a solid waste management program adopted by the municipality or other political subdivision of the State.</p> <p>NOT UPDATED</p>	ONTP		
1569	1866	5/18	5/25	Gramlich	An Act Regarding an Excise Tax on Water Extracted for Commercial Bottling	<p>This bill creates an <u>excise tax of 5¢ per gallon</u> of water <u>extracted by bottled water operators</u> for the privilege of <u>extracting water for commercial bottling for sale.</u></p> <p>Tax applies to bottled water operators who extracted more than 1,500,000 gallons of water in the previous calendar year.</p> <p>"Bottled water operator" is a person engaged in the business of bottling or packaging water for sale.</p> <p>MRS has technical concerns.</p>	OTPA/ ONTP	<p>MRS preliminary fiscal impact</p> <p>Admin: Potentially significant</p> <p>Revenue impact: Not available</p>	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
1598	1695	5/12	5/20	Terry	An Act To Eliminate Taxpayer Subsidies for Discriminatory Employers	<p>This bill provides that <u>persons that violate laws against discrimination or certain labor laws are not eligible for certain state financial assistance.</u></p> <p><u>Exclusions apply for violation of:</u></p> <ol style="list-style-type: none"> <li>1. Maine Human Rights Act</li> <li>2. Employment Practices under the DoL</li> <li>3. Federal civil rights law US EEOC</li> <li>4. Fair Labor Standards Act US DOL</li> </ol> <p><u>Excluded benefits include:</u></p> <ol style="list-style-type: none"> <li>1. Prohibition on receiving State grants if found to have engaged in discriminatory practices.</li> <li>2. Excluded from BETE</li> <li>3. Excluded from eligibility for income tax credits</li> <li>4. Excluded from BETR</li> </ol> <p>MRS indicates "significant technical concerns."</p>	ONTP	MRS preliminary fiscal impact	
								Admin	\$44,000
								Revenue impact	Not available
								Grant impact	No information
1638	201	5/13	5/26	Bailey	An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes	<p>This bill <u>reinstates the State's property tax deferral program for individuals age 65+, which was in effect for applications filed before April 1, 1991. The State pays the municipality the amount of deferred taxes and acquires a lien to recover amounts paid plus interest when individual is no longer living in the property.</u></p> <p>The bill modifies the program to include</p> <ol style="list-style-type: none"> <li>1. <u>households with at least one individual who is 65 years of age or older or who is unable to continue employment due to disability and to surviving spouses who are unable to continue employment due to disability and</u></li> <li>2. <u>provides that income must be less than \$40,000.</u></li> <li>3. <u>Liquid assets must be less than \$50,000 for 1 person, \$75,000 for 2+ persons)</u></li> <li>4. <u>Property must receive homestead exemption.</u></li> </ol> <p>The bill also <u>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.</u></p>	OTPA		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>Provides that property <u>may not be subject to deferral under both the state deferral program and a municipal deferral program.</u></p> <p>The bill also facilitates the administration of the deferral of property taxes for seniors and certain persons with disabilities, including <u>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.</u></p> <p>The bill requires <u>use of funds in the Property Tax Relief Fund for Maine Residents in case there are not sufficient funds to pay for the property tax deferral program;</u> current law requires transfers from the General Fund.</p> <p>In the event that there are not sufficient funds in the Property Tax Relief Fund for Maine Residents, the bill requires that <u>additional transfers be made from the Housing Opportunities for Maine Fund to cover the shortfall.</u></p> <p>This bill <u>requires repayment of those transfers,</u> with interest, first to the Housing Opportunities for Maine Fund and then to the Property Tax Relief Fund when there are sufficient funds available for those reimbursements.</p> <p>MeSHA has concerns about use of its funds for this purpose.</p> <p>MRS has significant technical concerns.</p>			
1651	1495	5/18	5/27	Vitelli	An Act To Support Working Families through Outreach and Education about Tax Credits for Persons of Low Income	<p>This bill provides <u>eligibility for the earned income tax credit to individuals who are immigrants who file federal income tax returns using a federally assigned individual taxpayer identification number.</u></p> <p>This bill provides <u>ongoing funds of \$150,000 per year beginning in fiscal year 2021-22 to the New Ventures Maine program</u> within the University of Maine System for a <u>statewide collaboration</u> of nonprofit and for-profit partners to provide:</p>	OTPA	MRS preliminary fiscal impact  Not available	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<ol style="list-style-type: none"> <li>1. <u>free volunteer tax assistance</u>, including the filing of state tax returns;</li> <li>2. <u>outreach to low-income individuals and families about federal and state tax credits</u>;</li> <li>3. <u>financial education</u>,</li> <li>4. <u>connections to financial services and other resources</u>;</li> <li>5. <u>education for providers and volunteers</u>; and</li> <li>6. <u>statewide data collection</u>.</li> </ol> <p>The bill also requires the <u>New Ventures Maine program to submit an annual report</u> describing its activities in the previous calendar year in providing tax assistance to low-income individuals and families.</p> <p>MRS has technical concerns.</p>			
1667	1217	5/18	5/25	Sheehan	An Act To Create a Tax Credit for Maine Workers Who Have Earned Certificates from Accredited Institutions	<p>This bill <u>creates the Educational Certificate Tax Credit Program</u>, modeled on the Job Creation Through Educational Opportunity Program, <u>for workers who receive a certificate from an accredited postsecondary educational institution denoting completion of a course of study required for an occupation or to enter or advance in an occupation</u>.</p> <p><u>Credit is based on loan payments for loans that are part of individual's financial aid package</u></p> <p>Credit for individuals is lesser of:</p> <ol style="list-style-type: none"> <li>1. monthly benchmark loan payments or</li> <li>2. monthly actual loan payment</li> </ol> <p>Credit for employer: actual monthly loan payments made directly to lender for employee</p> <p>Reports required:</p> <ol style="list-style-type: none"> <li>1. Colleges and universities report info to DoE</li> <li>2. DoE reports findings and recommendations to Legislature (EDU and TAX)</li> <li>3. DAFS, Office of Tax Policy reports implementation and statistics to Legislature (EDU and TAX). In conjunction with State Economist and DoL, must</li> </ol>	ONTP	MRS preliminary fiscal impact	Admin costs: \$33,000 Revenue impact:: Not available

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						include analysis of costs of the credits and impact on State's labor force. TAX and EDU may report out bills.  MRS has technical concerns.			
1677	743	5/13	5/18	Fecteau	An Act To Support Frontline Workers by Adding a Temporary Tax Bracket Affecting High Earners	This bill establishes a <u>temporary 3% income tax surcharge individual filers with income over \$200,000 singled married filing separately \$350,000 heads of households \$500.000 for married joint and surviving spouses</u>  <u>Surcharge applies in tax years beginning 2021 and 2022.</u>  <u>Revenue from the surcharge goes to fund created by the bill to fund grants to frontline workers as provided in the bill.</u>  <u>This bill requires the Department of Labor to create the a program to provide grants to frontline workers.</u> Frontline workers are who are those workers who conduct an operation, service or function that is essential to ensuring the continuity of critical functions, including, without limitation, health care workers, firefighters, law enforcement officers, corrections officers, food and agricultural workers, United States Postal Service workers, manufacturing workers, grocery store workers, public transit workers and persons who work in the educational sector, such as teachers, support staff or child care workers.	ONTP		
1678	718	5/18		Millett	An Act To Support Child Care Providers and School Readiness through Tax Credits	This bill does the following for quality child care services, beginning in 2022.  1. It provides a <u>refundable tax credit of \$1,000 to \$2,000 per eligible child to child care providers that provide services to children whose parents are participating in the child care subsidy program</u> operated by the Department of Health and Human Services, Office of Child and Family Services or foster children in the custody of the Department of Health and Human		MRS preliminary fiscal impact  Admin costs: \$200,000+  Revenue impact: not available	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>Services. <u>The amount of the credit is based on the quality of the child care provider as determined pursuant to a quality rating and improvement system based on standards for center-based child care programs developed by the Department of Health and Human Services, Office of Child and Family Services.</u></p> <p>2. <u>It provides a refundable tax credit of \$1,000 to \$5,000 to administrators, educators and other professional support staff of child care providers that provide services to children whose parents are participating in the child care subsidy program operated by the Department of Health and Human Services, Office of Child and Family Services or foster children in the custody of the Department of Health and Human Services. The amount of the credit is based on individual qualification score lattices developed and established for administrators, management, owners and coordinators and educators and other support staff of child care facilities through a collaborative partnership between the Cutler Institute of Health and Social Policy at the University of Southern Maine, the University of Maine Center for Community Inclusion and Disability Studies and the Department of Psychology at the University of Maine.</u></p> <p>3. <u>It amends the current income tax credit for child care expenses to allow a taxpayer to obtain a credit of between 50% and 200% of the federal tax credit, depending on the quality rating of the child care site providing child care services for the child of the taxpayer. Current law allows up to 50% of the federal tax credit if the child care expenses are incurred through the use of quality child care services.</u></p> <p>4. <u>It provides a tax credit of a percentage of expenses paid by an employer to provide child care and education services to the children of its employees, either on site, at a facility licensed or registered with the Department of Health and Human Services or through child care resource and referral services or vouchers for the purpose of paying for child care and education services. The percentage of expenses that may be taken by the employer is determined by the quality rating of the child care facility.</u></p>			

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								FY22	FY23
						<p>5. It <u>indexes for inflation the dollar amounts</u> of the tax credits beginning annually in 2023.</p> <p>6. It requires the Office of Child and Family Services to notify the State Tax Assessor immediately of any changes to the grading and scoring systems used to determine child care-related tax credits and requires the office, after consultation with the assessor, to submit a report and suggested legislation to implement the changes to the grading and scoring systems.</p> <p>7. It <u>requires the OPEGA</u>, beginning in 2025, to <u>review</u> the tax credits provided by this legislation to <u>determine</u> whether the specific public policy objectives and economic benefit of the credits outweigh the loss of revenue to the State and <u>annually report</u> its findings to the joint standing committee of the Legislature having jurisdiction over taxation matters.</p> <p>MRS has technical concerns.</p> <p>OPEGA has concerns</p>			
1689	1329	5/18		Maxmin	An Act To Ensure Equity in the Clean Energy Economy by Providing a Limited Tax Exemption for Certain Clean Energy Infrastructure Projects	<p>This bill allows a <u>sales tax refund or exemption</u></p> <ol style="list-style-type: none"> <li>1. to a person who purchases <u>machinery or equipment</u></li> <li>2. for direct use in the development and construction of <u>a clean energy product.</u></li> </ol> <p>The exemption or refund is <u>equal to 75% of the sales tax otherwise due.</u></p> <p>"Clean energy project" is defined as the development and construction of infrastructure for the generation, storage, transformation or transmission of electricity generated using</p> <ol style="list-style-type: none"> <li>1. fuel cells,</li> <li>2. wind,</li> <li>3. solar cells,</li> <li>4. biomass,</li> <li>5. tides or waves,</li> <li>6. geothermal resources</li> </ol>			<p>MRS preliminary fiscal impact</p> <p>Not provided</p>



LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>7. or technology that converts otherwise lost energy from exhaust.</p> <p>Eligibility for the exemption or reimbursement is administered by the Department of Labor. DoL must issue a certificate that the person qualifies for the exemption or refund. Applicant must:</p> <ol style="list-style-type: none"> <li>1. demonstrate to the DoL that the clean energy project</li> <li>2. results in a meaningful economic impact on an overburdened community, as defined;</li> <li>3. supports local manufacturing;</li> <li>4. and is developed under a community benefits agreement or project labor agreement.</li> <li>5.</li> </ol> <p>The applicant may also apply to the STA for a certificate of eligibility for an exemption instead of a refund.</p> <p>The bill requires the Governor's Office of Policy Innovation and the Future to develop a detailed supply chain manufacturing assessment of how the State can support existing manufacturing and attract additional manufacturing associated with renewable energy industries, including, but not limited to, heat pumps and solar, offshore wind, hydrogen and tidal power.</p> <p>MRS has numerous technical concerns.</p>			
1704	1805	5/18		Talbot-Ross	An Act To Change the Exclusion Amount under the Estate Tax and Provide Additional Funding for the Housing Opportunities for Maine Fund	<p>This bill <u>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, 2022 and removes the annual adjustment for inflation of that exclusion amount.</u></p> <p><u>SAME AS LD 1524:</u></p> <p>This bill also creates an <u>additional exclusion amount</u> of up to \$3,800,000 from the estate tax for:</p> <ol style="list-style-type: none"> <li>5. <u>family farms and</u></li> <li>6. <u>commercial aquaculture,</u></li> <li>7. <u>commercial fishing and</u></li> <li>8. <u>commercial wood harvesting businesses</u></li> </ol> <p>This additional exclusion applies to</p> <ol style="list-style-type: none"> <li>5. <u>farmland</u></li> </ol>		MRS preliminary fiscal impact	Not provided

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p>6. <u>depreciable machinery and equipment</u> used in commercial agriculture, aquaculture, fishing or wood harvesting</p> <p>7. that is <u>inherited by a family member</u> and</p> <p>8. <u>remains in commercial use for 5 years</u> following transfer.</p> <p><u>Distribution of revenue:</u>  The Treasurer of State must credit</p> <p>1. <u>50% of the revenue generated by the reduction in the exclusion amount</u> beginning January 1, 2022 to the General Fund and</p> <p>2, <u>50% the Maine State Housing Authority,</u> to the HOME Fund</p> <p>The bill directs the <u>Maine State Housing Authority in consultation with the Permanent Commission on the Status of Racial, Indigenous and Maine Tribal Populations to develop a racial equity assessment tool to use when evaluating project funding and report to the Joint Standing Committee on Labor and Housing</u> on the development of this tool no later than October 1, 2022.</p>			
1713	521	5/20	5/25 5/27	Jackson	An Act To Increase Workforce Skills for the Revitalization of Maine's Paper Industry through the Establishment of an Income Tax Credit for Paper Manufacturing Workforce Training	<p>This bill creates a refundable Maine income tax credit for:</p> <ol style="list-style-type: none"> <li>1. Paper manufacturers</li> <li>2. providing workforce training to employees</li> <li>3, as long as certain employment and wage levels are met.</li> </ol> <p>The income tax credit is equal to the amount of <u>workforce training wages paid</u> to certain employees each year and is subject to a <u>limit of \$2,000,000 per year among all eligible employers and \$12,000,000 in total.</u> The income tax credit is subject to ongoing legislative review.</p> <p>This bill also requires employers receiving the income tax credit to file annual reports with the Commissioner of Economic and Community Development and requires the commissioner and State Tax Assessor to annually report to the joint standing committee of the Legislature having jurisdiction over taxation matters certain statistics and data related to the income tax credit.</p>	OTPA		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
						<p><b>SPONSOR PROPOSED AMENDMENT</b></p> <p>Credit is based on qualified investment rather than workforce training expenditures.</p> <p>Qualified investment must be at least \$15,000,000 before 1/1/24 to acquire, modernize or improve machinery used to produce paper.</p> <p>Must employ at least 400 employees at least 75% of whom earn at least 115% of annual per capita personal income for the county where employed</p> <p>Must not be located in a “low-income” community as defined in federal new markets credit law.</p> <p>Must be headquartered in Maine</p> <p>Cumulative credits for all certified applicants may not exceed \$1,600,000 per year or \$16,000,000 in total</p>			
1732	2066			Gere	An Act To Amend the Sales Tax Exemption for Nonprofit Housing Development Organizations	This bill clarifies that the sales tax exemption for sales to nonprofit housing development organizations applies only to nonprofit organizations developing housing for people earning less than 120% of the median income for the area, adjusted for family size.			