

Shaded LDs have been voted on by the Committee

3/15/2023

**TAXATION COMMITTEE  
131<sup>st</sup> LEGISLATURE  
1st REG SESSION**

G:\TAXCMTE\131st-1\commchartmaster.docx

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
6	124	1/31	2/9	Terry	Resolve, Authorizing the State Tax Assessor to Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	<p>This resolve is annual MRS bill that authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory (UT) that were acquired by the State for nonpayment of property taxes.</p> <p>MRS administers the property tax in the UT. Revenue from property tax in the UT is deposited in a Special Fund and used to cover the cost of municipal services provided in the UT.</p> <p>Property owners are given the opportunity to pay amounts owed before the property is sold.</p>	OTPA		
7	122	1/31	2/9	Terry	An Act to Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	<p>This bill is the <u>annual MRS bill</u> that updates the date of <u>conformity</u> with the U.S. Internal Revenue Code contained in the Maine Revised Statutes, Title 36</p> <p>The date of conformity in <u>current law is 12/31/21</u>. This <u>bill changes the date to 12/31/22</u> and applies to tax years beginning on or after January 1, 2022 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended.</p> <p>This bill conforms to changes in federal law enacted in calendar year 2022.</p> <p><u>MRS proposed amendment:</u> Delinks Maine IT standard deduction and dependent exemption credit from federal law to maintain the benefits at current statutory rates rather than being reduced due to federal sunset in 2026.</p>	OTPA		<p><u>MRS estimate:</u> Conforming to federal sunset in 2026 will result in approximately \$300,000,000 additional Maine IT revenue in FY 26 and subsequent years.</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.

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						Timing requested to take into consideration Revenue Forecasting process  Maine Center for Economic Policy proposes adopting 6.8% minimum tax.			
37	211			Pouliot	An Act to Amend the Laws Governing Property Tax Stabilization for Senior Citizens to Eliminate the Requirement for an Annual Application	This bill amends the laws governing property tax stabilization for senior citizens to eliminate the requirement for an annual application. It provides that a new application is required when an individual establishes a new homestead in the State.			
66	250	1/31	2/9 2/16	Perkins	An Act to Prohibit the Taxation of Drinking Water	This bill expands the sales tax exemption for grocery staples to include drinking water other than flavored, mineral bottled and carbonated waters.  MRS testimony: <ol style="list-style-type: none"> <li>1. “drinking water” should be defined. Suggest Streamlined Sales Tax definition of “bottled water”.</li> <li>2. Questions whether it intended to include drinking water sold for nonresidential use (e.g. hotels etc)</li> <li>3. Needs application date.</li> </ol> <u>Rep. Hasenfus has proposed Committee Amendment</u>	OTPA/ ONTP	MRS PH testimony contains preliminary estimate revenue loss of \$7.5 million and \$10 million annually but depends on clarifications.  MRS Admin Costs minimal and can be absorbed.  In response to question from Rep. Rudnicki at PH, Newel Augur estimates \$3.1 million per year from ST on bottled water.	
68	177	2/14		Sachs	An Act to Exempt Certain Nonprofit Organizations from the Sales and Use Tax and the Service Provider Tax	This <u>bill exempts from the sales and use tax</u> and from the service provider tax <u>sales to a non profit organization that is exempt from income tax under Section 501(c)(3) of the federal Internal Revenue Code</u> if the property or services sold are to be used primarily for the purposes for which the nonprofit organization was organized.  The bill also <u>requires the MRS Office of Tax Policy</u> to review current sales and use tax and service provider tax exemptions to identify provisions that should be repealed or amended because they are duplicative or otherwise unnecessary and to submit a <u>report including</u>		Similar provision was included in Committee Amendments to LD 2011 in 129 <sup>th</sup> Legislature, 2 <sup>nd</sup> Regular Session which died in possession of the House at end of session.  MRS estimates cost in the range of \$10 to \$12 million but needs more research; recommends study first.	

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						<p><u>suggested legislation repealing or modifying those exemptions to the TAX Committee.</u></p> <p>LD 2011 in the 129<sup>th</sup> Legislature contained same language. Bill died at end of session tabled in House without acceptance of either committee amendment.</p> <p>MRS comments:</p> <ol style="list-style-type: none"> <li>1. Not all nonprofits are 501(c)(3) orgs</li> <li>2. recommends doing study of existing exemptions before enacting generic exemption for all 501(c)(3) orgs.</li> </ol>			
88	488	3/9		Paulhus	An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues	<p>This <u>bill establishes the Local Government Cannabis Revenue Fund</u> and requires <u>the transfer to the fund of 12% of revenue from the sales tax on adult use cannabis and adult use cannabis products and 12% of cannabis excise tax revenue.</u></p> <p>The fund must be <u>distributed monthly to municipalities where cannabis establishments are operating in proportion to the ratio of revenues generated by the sales and excise taxes on adult use cannabis and adult use cannabis products within the municipality</u> to the revenues generated by all cannabis establishments operating in the State.</p>			
89	218			Moriarty	An Act to Clarify Eligibility for Property Tax Stabilization for Individuals 65 Years of Age or Older	This bill, for property tax years beginning on or after April 1, 2024, expands eligibility for the property tax stabilization program for individuals 65 years of age or older to surviving spouses of eligible individuals as long as they were married for at least 10 years before the eligible individual's death.			
101	253	2/7	2/16	Perkins	An Act to Return to the Former Owner Any Excess Funds	<u>1.. Under current law, except in certain circumstances,</u> if a municipality, or the State Tax Assessor for property located in the unorganized territory,	tabled		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
					Remaining After the Sale of Foreclosed Property	<p>forecloses on property for failure to pay taxes owed on that property, <u>the municipality is under no obligation to return to the owner any funds that exceed the amount owed in taxes after the sale of the property.</u></p> <p><u>2. Under current law, 36 MRSA §943-C municipalities that intend to sell foreclosed property, must retain a licensed real estate broker, sell for fair market value and return excess funds (reduced by taxes owed and municipal costs) if:</u></p> <p><u>A. At least one of former owners is 65 or older</u></p> <p><u>B. Income reduced by medical expenses of former owners less than \$40,000</u></p> <p><u>C. Liquid assets of former owners is less the \$50,000 (single person) or \$75,000 (more than one person).</u></p> <p><u>If a licensed real estate broker cannot be found or property does not sell within 6 months, municipality may sell property through usual foreclosure process.</u></p> <p><u>3. This bill requires the municipality, which includes the State Tax Assessor for property located in the unorganized territory, to</u></p> <p><u>A. Provide notice of the availability of the excess funds, after subtracting the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs and any other expenses incurred in disposing of the property, to the former owner within 30 days after the sale of the property or 180 days after the foreclosure, whichever is sooner.</u></p> <p><u>B. Keep the excess funds in a segregated escrow account. If the former owner fails to claim the excess funds in person within 90 days after receipt of the notice, the municipality is allowed to retain the excess funds.</u></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>	
								FY24	FY25
						C. <u>If the former owner or the former owner's representative notifies the municipality within 90 days after receipt of the notice, the municipality must negotiate with the former owner over the return of the excess funds.</u> If the former owner is dissatisfied with the municipality's offer, the <u>former owner may seek binding arbitration</u> for resolution of the matter.			
130	29			Bennett	An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption.	This bill provides that the law enacted in 2022 providing a process for stabilization of property taxes for permanent residents of this State who are 65 years of age or older and have owned a homestead in the State for at least 10 years applies only to the property tax year beginning April 1, 2023. For property tax years beginning on or after April 1, 2024, the bill replaces the stabilization program with an increased homestead property tax exemption of \$75,000 just value.			
144	362	2/7	2/16	Sachs	An Act Regarding the Monitoring of Municipal Abandoned Property	<p>1...<u>Under current law, a municipality that certifies abandoned property is required to provide information regarding the property to the Maine State Housing Authority</u> for use in determining opportunities for redevelopment, programs supporting first-time home buyers and similar programs and data analysis.</p> <p>2.. <u>This bill</u> instead requires the municipality to submit such <u>information to the Maine Redevelopment Land Bank Authority</u> for use in determining opportunities for redevelopment.</p> <p>MRS requests that this bill and LD 167 be held until later in the session to be considered with other bills affecting PT relief programs that will be affected by these changes.</p>	OTPA fno	No Fiscal Note required OFPR 2/24/23	
149	203	2/7		Bailey	An Act to Amend the Definition of "Homestead" Under the	Current law provides that one qualification of a residence for the <u>homestead property tax exemption</u> is			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
					Homestead Property Tax Exemption Laws	<p><u>if the real property is held for the applicant in a revocable living trust.</u></p> <p><u>This bill removes the requirement that the living trust be revocable.</u></p>			
167	247	2/7	2/16	Bell	An Act Regarding Eligibility for the Maine Resident Homestead Property Tax Exemption	<p>This bill provides that <u>a person who holds a life lease on a permanent residence is eligible for the Maine resident homestead property tax exemption.</u></p> <p>Changes in definition of “homestead” has repercussions for other benefits that incorporate the definition of “homestead.” MRS requests that this bill and LD 149 be held until later in the session to be considered with other bills affecting PT relief programs that will be affected by these changes.</p>	table		
191	289	2/14	3/2	Stewart	An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits	<p>This bill <u>excludes from eligibility for the BETE and BETR a person that, based on 3rd-party certifications, bans, boycotts or otherwise restricts or prevents the sale or distribution of any product that is legally produced, harvested or grown in the Maine.</u></p> <p><u>BETR:</u></p> <ol style="list-style-type: none"> <li>1. Eligible property 1<sup>st</sup> placed in service after 4/1/95 and on or before 4/1/05.</li> <li>2. Certain retail sales facility property placed in service after 4/1/95</li> </ol> <p><u>BETE:</u></p> <ol style="list-style-type: none"> <li>1. Eligible property 1<sup>st</sup> placed in service on or after 4/1/05</li> </ol> <p><u>MRS has administrative and Constitutional concerns.</u></p> <ol style="list-style-type: none"> <li>1. “3<sup>rd</sup> party certification” needs to be clarified.</li> <li>2. Constitutional “Commerce Clause” concerns</li> </ol>			
195	430	1/31	1/31	Haggan	An Act to Exempt Gold Star Parents from Income Tax	<p>This bill provides an exemption from Maine income tax to gold star parents who are residents of the State of Maine. Eligible persons are:</p>	ONTP		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						<ol style="list-style-type: none"> <li>1. Parents of a member of the United State Armed Forces who has died as the result of circumstances described in federal law (while engaged in action against an enemy of the US, engaged in military operations against an opposing foreign force or serving with friendly foreign forces in which the US is not a belligerent party; and</li> <li>2. Who demonstrate receipt of a report of casualty form or notification of loss from the U.S. Department of Defense.</li> </ol>			
210	820	2/7	2/16	Hasenfus	An Act to Expand the List of Persons Exempt from the Real Estate Transfer Tax	<p><u>Current law</u> provides exemption from Real Estate Transfer Tax for transfers to spouses, parents, grandparents and grandchildren.</p> <p><u>This bill expands</u> the exemption for family members to include siblings, stepchildren and step grandchildren.</p> <p>MRS indicates that it <u>already considers stepchildren and step grandchildren</u> to be exempt. Recommends considering <u>whether stepsiblings should be exempted.</u></p>	OTPA		
283	123			Matlack	An Act to Make Technical Changes to the Maine Tax Laws	<p>Part A makes changes to the property tax law. Part A:</p> <ol style="list-style-type: none"> <li>1. Allows disclosure of confidential information to the State Board of Property Tax Review;</li> <li>2. Clarifies that a municipality's equalized tax rate of residential property is the equalized full value tax rate when calculating qualification for sudden and severe disruption assistance;</li> <li>3. Removes the requirement that updates to the property tax assessment manual be made by the State Tax Assessor by rule;</li> <li>4. Clarifies that the fixed-dollar parsonage and personal property exemptions for houses of religious worship are based on just value;</li> <li>5. Clarifies that only individuals qualify for certain property tax exemptions for veterans and removes gender-specific terms in those provisions;</li> </ol>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						<p>6. Facilitates the repeal of the Circuitbreaker Program, which has expired, by moving definitions from that program to current provisions;</p> <p>7. Clarifies that the income and asset limitations of the state property tax deferral program apply to all owners of the property; and</p> <p>8. Makes other technical and grammatical changes to improve the clarity of property tax provisions.</p> <p>Part B makes changes to the income tax law. Part B:</p> <p>1. Clarifies that a petition for reconsideration related to a determination issued by Maine Revenue Services must be filed within the specified time period with Maine Revenue Services in order to be available for review in Superior Court or by the Maine Board of Tax Appeals;</p> <p>2. Repeals the Maine income modifications related to the expired federal domestic production activities deduction;</p> <p>3. Repeals the Maine income modification for the expired federal unemployment compensation deduction;</p> <p>4. Repeals the Maine income modification for the expired federal deferral of income from discharge of indebtedness;</p> <p>5. Repeals the expired Maine income modification for insurance premiums for long-term care insurance;</p> <p>6. Repeals the expired Maine income modification for federal recovery amounts included in federal adjusted gross income;</p> <p>7. Clarifies Maine Revenue Services' rule-making authority regarding the Maine research expense income tax credit by correcting an erroneous reference to the federal Internal Revenue Code of 1986, removing unnecessary and confusing language and making the rule-making requirement discretionary;</p> <p>8. Clarifies that the benefit base under the property tax fairness credit includes property tax payments, and not payments of rent constituting property taxes, under the State's property tax deferral program; 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>	
								FY24	FY25
						<p>9. Provides that the additional credit for permanently and totally disabled veterans under the property tax fairness credit is limited to the total taxes paid by the taxpayer and by the State on behalf of the taxpayer pursuant to the property tax deferral program, if any.</p> <p>Part C makes changes to provisions regarding the sales tax. Part C:</p> <p>1. Removes the word “pickup” from the phrase “pickup trucks” in the Multimodal Transportation Fund transfer to align with the removal of the word in the corresponding sales tax provisions by Public Law 2021, chapter 578; and</p> <p>2. Clarifies the confidentiality exemption for disclosing registration, revocation of registration or exemption certificate information by providing that the allowable disclosure is limited to the disclosure of information applicable to the previous 6 years.</p>			
286	1192	2/14	3/2	Carlow	An Act to Authorize the Use of Tax Increment Financing Funds for Constructing or Renovating Municipal Offices and Other Municipal Buildings	<p><u>TIF districts must support economic development purposes and must be approved by DECD. List of allowed expenditures is lengthy. Use for general use municipal buildings is specifically excluded.</u></p> <p><u>This bill permits revenue from tax increment financing (TIF) districts to be used for the construction or renovation of municipal offices or other municipal buildings when the legislative body of the municipality determines that conditions exist that impair the proper functioning of government or otherwise hinder the vitality of the local economy.</u></p> <p>Bill provides that TIF revenue that may be used for municipal properties <u>may not exceed 10% of the total current assessed value of the TIF district or \$3,000,000, whichever is less</u> during a 20 year period for any one TIF district.</p>	tabled		

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
287	235	2/14	3/2	Murphy	An Act to Support Parents by Providing a Sales Tax Exemption for Diapers	This bill provides a sales tax exemption for disposable and reusable diapers for children.  MRS suggests use of Streamlined Sales Tax definition of “diapers” and “children’s diapers.” MRS recommends using Streamlined Sales Tax definitions to provide clarity with regard to exempted items.	OTPA (3)/ ONTP(4)	LD 863 in 129 <sup>th</sup> died on Appropriations Table at end of 2 <sup>nd</sup> Regular Session. Bill also included diaper covers, wraps and pins  Fiscal note: \$1.7 million/year	
341	951			Ducharme	An Act to Amend the Maine Tree Growth Tax Law to Encourage Housing Construction	This bill reduces the penalty for withdrawal of land from classification under the Maine Tree Growth Tax Law if the land is used for the construction of single-family residential housing and the conditions required for building construction are met within 2 years of withdrawal.			
457	2184			Chipman	An Act to Amend Maine’s Tax Laws	This bill is a concept draft pursuant to Joint Rule 208.  This bill would amend Maine’s tax laws.			
499	1756			Chipman	An Act to Amend Maine’s Tax Laws	This bill is a concept draft pursuant to Joint Rule 208.  This bill would amend Maine’s tax laws.			
517	1856	3/14		Andrews	An Act to Allow Maine Families to Deduct Vehicle Excise Taxes on State Income Tax Returns	This bill provides that <u>a resident individual who claims as a dependent a child who has not attained 18 years of age is allowed an income tax deduction in the amount of excise tax paid for a motor vehicle.</u>			
529	748			Poirier	An Act to Remove the Annual Filing Requirement in the Property Tax Stabilization Laws	This bill amends the laws governing property tax stabilization for senior citizens to eliminate the requirement for an annual application. It provides that a new application is required when an individual establishes a new homestead in the State. It requires an individual or the personal representative of the individual’s estate to notify the municipality when there is a change in ownership of the individual’s homestead.			
533	635	3/14		Lanigan	An Act to Exempt Overtime Pay from Individual Income Tax	This bill <u>excludes overtime pay</u> (hours in excess of 40 hours worked per week) <u>from income tax if the</u>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						employer is required by law to pay the overtime to the employee under Title 26, section 664, subsection 3.			
541	1108	3/9		Fredericks	An Act to Create Parity in the Taxation of Medicine	This bill <u>includes medical cannabis in the sales tax exemption that applies to medicines sold on a doctor's prescription.</u>			
629	2204	3/9		Ardell	An Act to Improve, Protect and Defend the Individual Civil Right to Bear Arms Through Exemption of Firearms and Ammunition from Taxation	This <u>bill:</u>  1. <u>Prohibits the State Tax Assessor from assessing a sales or use tax on any firearms or ammunition sold or possessed in the State.</u>  2. <u>Prohibits a municipality or a county officer from assessing a tax or fee on any firearms or ammunition sold or possessed in the State.</u>			
633	445			Madigan	An Act to Dedicate Revenue from Alcohol Tax to Alcohol Use Disorder Treatment	This bill is a concept draft pursuant to Joint Rule 208. This bill would dedicate a portion of the revenue from the taxes imposed on alcohol to funding for alcohol use disorder treatment programs.			
641	839	3/14		Roberts	An Act to Combat Hunger by Creating an Income Tax Credit for Businesses Engaged in Food Production for Donations to Qualified Organizations	This bill provides an income tax credit for persons engaged in commercial agricultural production, commercial aquacultural production or commercial fishing for donations to a qualified 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. The credit is equal to 10% of the deduction claimed for federal income tax purposes up to a maximum credit of \$5,000.			
643	1665			Terry	An Act to Promote Research and Development in the State by Increasing the Research Expense Tax Credit	This bill increases the research expense tax credit by increasing the amount of expenditures eligible for the credit, doubling the rate by which the credit is calculated, doubling the maximum amount of the credit that may be claimed and halving the base amount used to determine the credit.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
667	1948	3/23		Collings	An Act to Impose a Tax Surcharge on Certain Incomes	This bill establishes an income tax surcharge of 3% on taxable income in excess of \$1,000,000 and 6% on taxable income in excess of \$10,000,000 and requires that the revenue collected from the surcharge must be spent on public kindergarten to grade 12 education and rural economic development.			
695	570			Kuhn	An Act to Exempt Nonprofit Land Trusts from Sales Tax	This bill exempts sales to an incorporated nonprofit land trust from sales and use tax if the tangible personal property or taxable services sold are to be used primarily for the purposes for which the land trust was organized.			
708	1842	3/7		Morris	An Act to Establish a Sales Tax Holiday Weekend	<p>This bill is an <u>emergency bill</u> that <u>establishes an annual 4-day sales tax holiday in August for sales of tangible personal property</u>, beginning at 12:01 a.m. of the 3<sup>rd</sup> Friday before Labor Day until 11:50 p.m. of the 4<sup>th</sup> day.</p> <p><u>Similar bill in 130<sup>th</sup> Legislature (LD 1381, Morris) proposed 3-day weekend holiday in October. Included meals and lodging. Excluded tobacco products, motor vehicles, motorboats, and any single item with a price exceeding \$2,500. Fiscal Note; \$15 million to \$16 million.</u></p> <p><u>Committee vote: ONTP(8)/OTPA(3) fno. Failed enactment in both H&amp;S.</u></p>			
713	1934	3/7		Andrews	RESOLUTION, Proposing an Amendment to the Constitution of Maine to Dedicate a Portion of Sales and Use Taxes from All Motor Vehicle Sales and Motor Vehicle-related Sales to the Highway Fund for Road and Bridge Capital Improvements	<p>This resolution proposes <u>to amend the Constitution of Maine to dedicate to the Highway Fund for road and bridge capital improvements 50% of sales and use tax revenue from sales of motor vehicles and sales related to motor vehicles.</u></p> <p><u>Bill reflects recommendations of the Blue Ribbon Commissions to Study and Recommend Funding Solutions for the State's Transportation Systems. (2019, 2020).</u></p> <p><u>MRS indicates need for clarifications in language and indicates an estimated GF loss of approximately \$200</u></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>	
								FY24	FY25
						million per year. Possible conflict with transfers to <u>Multimodal Transportation Fund</u> .			
758	623	3/7		Brakey	An Act to Account for the Impact of Inflation on the Taxation of Capital Gains and Losses	This bill provides that the portion of <u>capital gains</u> included in federal adjusted gross income <u>must be reduced by the amount by which the value of the asset increased less than the Consumer Price Index over the period of time the asset was held by the taxpayer</u> .  MRS identified problems: <ol style="list-style-type: none"> <li>1. Doesn't accomplish goal</li> <li>2. Significant complexity for taxpayer and State</li> <li>3. May not be administrable</li> </ol>			
792	630	3/23		Brakey	An Act to Provide a Turnpike Gasoline Fairness Credit for Maine Turnpike Drivers	This bill provides a refundable income tax credit based on the type of fuel used by motor vehicles owned by a Maine resident and the number of miles the vehicles traveled on the Maine Turnpike.			
793	1463			Brakey	An Act to Support Municipal Services with Revenue Sharing	This bill provides that municipalities may elect to receive for state-municipal revenue sharing an amount equal to 10% of the sales or use tax collected within the municipality.			
802	2073			Ducharme	An Act to Increase the Maine Exclusion Amount for Estate Tax Exemptions	This bill raises the Maine estate tax exclusion amount from \$5,600,000 to \$12,000,000 beginning with estates of decedents dying on or after January 1, 2023.			
803	1817			Perry J	An Act Regarding Taxation	This bill is a concept draft pursuant to Joint Rule 208. This bill would make changes to the laws governing taxation.			
805	1935			Perry J	An Act to Provide That a Licensed Motor Vehicle Dealer May Claim a Credit for Sales Tax on the Purchase and Installation of Equipment to Be Used for the Charging of Electric Vehicles	This bill provides that a licensed motor vehicle dealer may claim a credit for sales tax if the dealer has paid the sales tax on the purchase and installation of equipment to be used for the charging of electric vehicles.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
835	1612	3/23		Boyer	An Act to Phase Out the Income Tax	This bill phases out the income tax over 5 years beginning in 2024 and requires that state department budgets be reduced proportionally.			
843	608	3/23		Osher	An Act to Improve Income Tax Progressivity by Establishing a New Top Individual Income Tax Rate	This bill establishes an additional income tax bracket with a tax rate of 11.15% for taxable income exceeding \$125,000 for single individuals and married persons filing separately, \$150,000 for heads of households and \$250,000 for married persons filing jointly and surviving spouses.			
849	1783			Terry	An Act to Implement the Recommendations of the Working Group to Review the Process for Ongoing Review of Tax Expenditures by the Legislature	<p>This bill implements the recommendations of the Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature established in 2021 by Joint Order 2021, S.P. 578.</p> <p><u>The bill:</u></p> <ol style="list-style-type: none"> <li>1. Beginning with the 132nd Legislature, changes the membership of the Government Oversight Committee by requiring that the membership of that committee must include at least 2 members who are members of the joint standing committee of the Legislature having jurisdiction over taxation matters and at least one member who is a member of the joint standing committee of the Legislature having jurisdiction over economic development matters for the purpose of improving communications among those committees regarding tax expenditure review activities;</li> <li>2. Authorizes the joint standing committee of the Legislature having jurisdiction over taxation matters to meet throughout the year as determined to be necessary by the chairs to perform tax expenditure review functions;</li> </ol>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						<p>3. Changes the process for expedited review of tax expenditures by repealing requirements that the information be provided to the joint standing committee of the Legislature having jurisdiction over taxation matters by the Office of Program Evaluation and Government Accountability and by expanding the scope of information required to be reported by the Department of Administrative and Financial Services, Bureau of Revenue Services to facilitate review by the joint standing committee;</p> <p>4. Prioritizes full review of business incentive tax expenditures over tax expenditures directed primarily toward individual tax relief;</p> <p>5. Requires that the schedule for review of full review tax expenditures take into consideration any statutory expiration dates;</p> <p>6. Establishes a procedure for review of current statutes containing full review tax expenditures to identify and address the need for statutory changes to improve the ability to analyze and evaluate those provisions;</p> <p>7. Establishes a procedure for review by the joint standing committee of the Legislature having jurisdiction over taxation matters of legislation under consideration that would enact a full review tax expenditure. The review is for the purposes of identifying and recommending provisions to facilitate tax expenditure review;</p> <p>8. Establishes a process for the joint standing committee of the Legislature having</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>	
								FY24	FY25
						<p>jurisdiction over taxation matters to request 2 limited analysis projects per year to be completed by the Office of Program Evaluation and Government Accountability for the purpose of assisting consideration of legislation before the committee; and</p> <p>9. Directs the Office of Program Evaluation and Government Accountability and the Office of Fiscal and Program Review to assess and report to the Legislative Council regarding the need for additional staff to perform the additional functions contained in the bill.</p>			
854				Sayre	An Act to Fund the Protection and Restoration of Riparian and Estuarine Ecosystems and to Impose an Excise Tax on Certain Bottled Water Operators	This bill creates an excise tax of 5¢ per gallon on the extraction of groundwater or surface water for commercial bottling for sale and allocates the funds to the Land for Maine's Future Fund to acquire, restore or protect riparian or estuarine lands in the State that are essential to protecting aquifers, surface waters or intertidal waters on which human and natural communities depend.			
916	2374			O'Neil	An Act to Establish a Windfall Profits Tax on Electric Utilities to Assist with Residential Heating Costs	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to establish a windfall profits tax on electric utilities and dedicate the revenue from this tax to a fund to provide assistance with heating costs to the residents of this State.			
971	855	3/23		Carmichael	An Act to Establish the Income Tax Relief Fund for Maine Residents	This bill establishes the Income Tax Relief Fund for Maine Residents for the purpose of reducing individual income tax rates. The fund receives a transfer at the close of each fiscal year of the amount by which General Fund revenue for that fiscal year exceeds General Fund revenue for the preceding fiscal year.			
984	1846			Chipman	An Act to Expand Access to the Homestead Property Tax Exemption	This bill provides that property is eligible for the homestead property tax exemption if the property is owned by a limited liability company and occupied as a			



LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
						permanent residence by a member of the limited liability company.			
996	2326			Gramlich	An Act to Allow a Municipality to Establish a Local Option Sales Tax	This bill allows a municipality to impose a seasonal or year-round local option sales tax on the sale of any goods or services allowed to be taxed at the statewide level by vote of the legislative body of the municipality or by municipal referendum.			
1010	370			Terry	An Act to Provide Tax Relief for Working Families	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to provide tax relief to working families by reforming the imposition of the service provider tax, especially on nonprofit organizations, schools, religious institutions and hospitals, and by adjusting the income tax brackets to make them fairer.			
1027	762			Perkins	An Act to Prohibit Local Sales Taxes	This bill prohibits a municipality from imposing a local sales tax.			
1051	426			Brakey	An Act to Protect Maine People from Inflation by Exempting Gold and Silver Coins and Bullion from the State Sales and Use Tax	This bill provides a sales and use tax exemption for sales of gold and silver coins and bullion.			
1060	132			Jackson	An Act to Support Municipal Public Safety by Increasing State-Municipal Revenue Sharing to 7 Percent	This bill increases the percentage of state-municipal revenue sharing from 5% to 7% and requires the additional funds to be used by municipalities for the employment, training and provision of emergency fire and medical services and law enforcement.			
1063	242			Pierce	An Act to Provide Equitable Tax Treatment to State-licensed Cannabis Businesses	This bill, for taxable years beginning on or after January 1, 2023, adds manufacturing facilities, cannabis establishments and testing facilities to the list of cannabis businesses licensed by the State that are eligible to take deductions under the state income tax laws.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY24	FY25
1075	800			Daughtry	An Act to Promote Economic Growth Through Increased Film Incentives	<p>This bill makes multiple changes to the tax credits available to visual media production companies operating in the State. The bill:</p> <ol style="list-style-type: none"> <li>1. makes the available tax credits refundable and transferable, increases the credits for certain expenses incurred in Maine and for hiring residents of Maine and</li> <li>2. 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> <li>3. reduces the total expenditures needed to qualify for the credits,</li> <li>4. extends the time period for visual media production companies to certify with the Department of Economic and Community Development and</li> <li>5. sets a \$500,000 limit on the total value of the tax credits that increases to \$1,000,000 after January 1, 2027.</li> </ol> <p>The bill makes other changes necessary for these provisions.</p>			
1093	1883			Faulkingham	An Act to Create a Seasonal Gas Tax Exemption and Rate	<p>This bill removes the imposition of the fuel excise tax on internal combustion engine fuel, except for fuel bought or used for the purposes of propelling jet or turbojet engine aircraft, from Thanksgiving Day until the following May 1st, annually.</p> <p>The bill raises the excise tax on such fuel, except that used for jet or turbojet aircraft, from 30¢ per gallon to 40¢ per gallon at all other times of the year.</p> <p>The excise tax fuel bought or used for propelling jet or turbojet engine aircraft remains at the current rate of 3.4¢ per gallon.</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>	
								FY24	FY25
1118	591			Baldacci	An Act to Reduce the Sales Tax on Automobiles	<p>This bill exempts from the sales and use tax the first \$7,500 of the maker's list price of an automobile, sold on or after January 1, 2024.</p> <p><u>Definitions in Sales Tax statutes:</u>  <b>36 MRSA, §1752.1-B. "Automobile.</b> "Automobile" means a self-propelled 4-wheel motor vehicle designed primarily to carry passengers and not designed to run on tracks. "Automobile" includes a pickup truck or van with a gross vehicle weight rating of 10,000 pounds or less."  <b>36 MRSA §1752, sub§7. "Motor vehicle.</b> "Motor vehicle" means any self-propelled vehicle designed for the conveyance of passengers or property on the public highways. "Motor vehicle" includes an all-terrain vehicle and a snowmobile as defined in <a href="#">Title 12, section 13001</a>.</p>			
1135	1506			Boyle	An Act to Ensure that Carbon Credits Can Be Sold on Forest Land Enrolled in the Maine Tree Growth Tax Law	<p>This bill is a concept draft pursuant to Joint Rule 208. This bill would allow a person that owns wooded property enrolled in the Maine Tree Growth Tax Law to sell carbon credits for that property and stay enrolled in the Maine Tree Growth Tax Law as long as timber harvesting was not prohibited under the carbon credit agreement.</p>			
1147	427			Brakey	An Act to Exempt Gold and Silver Coins and Bullion from the State Income Tax	<p>This bill exempts from Maine income tax the capital gains and ordinary income resulting from the sale or transfer of gold or silver coins or bullion.</p>			
1153	1513			Woodsome	An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts	<p>This bill removes the municipal personal property tax exemption for solar energy equipment that generates heat or electricity if all of the energy is used on the site where the property is located or the energy is transmitted through the facilities of a transmission and distribution utility, and a utility customer or customers receive a utility bill credit for the energy generated by the equipment.</p>			
1168	2067			Perry	An Act to Adjust Motor Vehicle Excise Tax Rates	<p>This bill changes the excise tax on motor vehicles and camper trailers from a 6-year phase-down of the tax from 24 mills to 4 mills to a 10-year phase-down of the tax from 35 mills to 10 mills and exempts from taxation</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>	
								FY24	FY25
						the first \$15,000 of the vehicle's value that is used to calculate the tax.			
1176	1501			Adams	An Act to Create Municipal Cannabis Revenue Sharing	This bill directs that 20% of the money credited to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund be provided to municipalities that opted to permit some or all adult use cannabis establishments.			
1182	1414			Salisbury	An Act to Make Revisions to the Tax Increment Financing and Development District Laws	This bill amends the laws governing tax increment financing by removing the requirement that the Department of Agriculture, Conservation and Forestry and the Department of Transportation review proposals for the designation of downtown tax increment financing districts. The bill also clarifies the approval condition related to a property being suitable for commercial or arts district uses.			
1184	312			Jackson	An Act to Exempt Certain Prescribed Home Medical Supplies from Sales Tax	This bill provides a sales tax exemption for medical equipment and supplies prescribed by a health care provider for medical purposes when payment is made by an insurance company or specified government programs.			
1202	2011			Theriault	An Act to Increase the Homestead Exemption to \$50,000	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, 2024. This bill also adds provisions increasing the rate of state reimbursement, which has the effect of reimbursing municipalities for revenue lost as a result of the increase in the homestead property tax exemption to \$50,000.			