

Shaded LDs have been voted on by the Committee

WS 3/21/2023

**TAXATION COMMITTEE
131st LEGISLATURE
1st REG SESSION**

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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY24	FY25
88	488	3/9		Paulhus	An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues	<p>This bill establishes the Local Government Cannabis Revenue Fund and requires 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.</p> <p>The fund must be 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 to the revenues generated by all cannabis establishments operating in the State.</p> <p>28-B MRSA §1101.2.C (enacted in 2022) permits each municipality to receive up to \$20,000 from the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund for certain administrative costs incurred in adopting an ordinance and related activities permitting the operation of cannabis establishments in the municipality.</p> <p>MRS has administrative concerns.</p>			
541	1108	3/9		Fredericks	An Act to Create Parity in the Taxation of Medicine	<p>This bill includes medical cannabis in the sales tax exemption that applies to medicines sold on a doctor's prescription.</p>			MRS provides a preliminary estimate over the next 3 years of approximately \$12,300,000.

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

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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	<p>This <u>bill</u>:</p> <ol style="list-style-type: none"> 1. <u>Prohibits</u> the State Tax Assessor from assessing a <u>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> 3. <u>MRS has technical concerns.</u> 		MRS provides preliminary estimate of revenue loss of \$6.000.000 annually(?).	
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 3rd Friday before Labor Day until 11:59 p.m. of the 4th day.</p> <p><u>Similar bill in 130th 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:</u> ONTP(8)/OTPA(3) fno. Failed enactment in both H&S.</p> <p><u>Sponsor testimony at PH indicates:</u></p> <ol style="list-style-type: none"> 1. Support for excluding “large ticket items” and tobacco products 2. Allow holiday to apply to meals and lodging <p><u>MRS indicates that emergency effectiveness my not allow enough time for administrative adjustments.</u></p>			

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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 to <u>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>Bill <u>reflects recommendations of the Blue Ribbon Commissions to Study and Recommend Funding Solutions for the State’s Transportation Systems. (2019, 2020).</u></p> <p>MRS indicates need for <u>clarifications in language</u> and indicates an <u>estimated GF loss</u> of approximately \$200 million per year. Possible conflict with transfers to <u>Multimodal Transportation Fund.</u></p>			
758	623	3/7		Brakey	An Act to Account for the Impact of Inflation on the Taxation of Capital Gains and Losses	<p>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></p> <p>MRS identified problems:</p> <ol style="list-style-type: none"> 1. Bill doesn’t accomplish goal 2. Significant complexity for taxpayer and State 3. May not be administrable 			