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TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1247, L.D. 1876, “An Act to Increase Use of State Tax Credits”

Amend the bill by striking out the title and substituting the following:

'An Act to Change the Name and Duties of the Taxpayer Advocate to Increase the Use of State Tax Credits'

Amend the bill by striking out all of the emergency preamble.

Amend the bill by striking out all of Part A and inserting the following:

'PART A

Sec. A-1. 36 MRSA §151-C, as amended by PL 2011, c. 694, §5, is further amended to read:

§151-C. Taxpayer advocate and experience officer

1. Appointment. The Commissioner of Administrative and Financial Services shall hire the taxpayer advocate and experience officer as an employee of the bureau who is independent of and not subject to the supervision or control of the assessor or any other employee of the bureau. The taxpayer advocate and experience officer is an unclassified employee and serves at the pleasure of the commissioner. The taxpayer advocate and experience officer need not be an attorney.

2. Duties and responsibilities. The duties and responsibilities of the taxpayer advocate and experience officer are to:

A. Assist taxpayers in resolving problems with the bureau; by:

(1) Establishing a taxpayer's best contact within the bureau to provide an accelerated review of the taxpayer's issues;

(2) Facilitating speedy resolution within the bureau, if possible, including offer in compromise and payment plan options; and

(3) Explaining reconsideration and appeal options, if available, under this Part;

1 B. ~~Identify areas in which~~ Assist taxpayers have problems in dealings with the bureau,
2 stakeholder advocacy groups, Legislators and other interested parties by describing
3 available tax benefit programs and assisting with simplified access to those programs;

4 C. Propose to the assessor and the bureau's division directors any recommended
5 changes in the administrative practices of the bureau to mitigate problems identified or
6 arising under paragraph paragraphs A and B; and

7 D. Identify legislative changes that may be appropriate to mitigate problems identified
8 or arising under paragraph paragraphs A and B and report recommendations in the
9 annual report required under subsection 3.

10 **3. Annual report.** Beginning in 2012 2026, the taxpayer advocate and experience
11 officer shall prepare and submit by August 1st January 15th an annual report of activities
12 and recommendations under subsection 2 of the taxpayer advocate and experience officer
13 to the Governor, commissioner, the Associate Commissioner for Tax Policy, the assessor
14 and the joint standing committee of the Legislature having jurisdiction over taxation
15 matters.

16 **4. Investigation.** ~~The taxpayer advocate may investigate complaints affecting~~
17 ~~taxpayers generally or any particular taxpayer or group of taxpayers and, when appropriate,~~
18 ~~make recommendations to the assessor with respect to these complaints. The assessor shall~~
19 ~~provide a formal response to all recommendations submitted to the assessor by the taxpayer~~
20 ~~advocate within 3 months after submission to the assessor.~~

21 **5. Response.** ~~The assessor shall establish procedures to provide for a formal response~~
22 ~~to all recommendations submitted to the assessor by the taxpayer advocate.~~

23 **Sec. A-2. Taxpayer advocate and experience officer.** The changes to the
24 position title and duties of the taxpayer advocate established in the Maine Revised Statutes,
25 Title 36, section 151-C, as amended in this Part, do not change the position count and
26 funding associated with the taxpayer advocate position within the Department of
27 Administrative and Financial Services, Bureau of Revenue Services.'

28 Amend the bill by striking out all of Part B and inserting the following:

29 **'PART B**

30 **Sec. B-1. Special report of taxpayer advocate and experience officer.** The
31 taxpayer advocate and experience officer within the Department of Administrative and
32 Financial Services, Bureau of Revenue Services shall:

33 1. Study the use of state tax credits by:

34 A. Determining the rate at which eligible individuals are accessing available state
35 tax credits;

36 B. Identifying and assessing current barriers that may be negatively affecting the
37 rate at which available state tax credits are being accessed; and

38 C. Developing recommendations to address any eligible individuals not accessing
39 available state tax credits;

40 2. Study the current practices of large tax preparation firms with respect to offering
41 state tax credits to individuals in this State by:

1 A. Examining the current practices of large tax preparation firms that offer services to
2 individuals in this State with respect to providing information to customers about state
3 tax credits and assisting customers in accessing those credits;

4 B. Examining the efficacy of the software used by large tax preparation firms to
5 prepare and file tax returns with respect to assisting customers in using state tax credits;
6 and

7 C. Developing recommendations for potential public policy or consumer protection
8 measures to ensure that individual taxpayers in this State are informed of and have
9 access to state tax credits, regardless of which tax preparer the individual taxpayer uses.

10 For the purposes of this subsection, "large tax preparation firm" means a business that
11 offers tax return preparation services to individuals and families in the State; offers tax
12 return preparation services at multiple franchise locations, or remotely, to customers
13 nationwide or in multiple other states; and has at least 50 employees;

14 3. Address the role of State Government in promoting public awareness of individual
15 state tax credits by:

16 A. Identifying existing interactions of State Government with individual taxpayers that
17 include providing information to those individuals about state tax credits;

18 B. Identifying interactions between State Government and individual taxpayers that do
19 not currently but reasonably could include providing information to those individuals
20 about state tax credits;

21 C. Identifying and evaluating any potential barriers to incorporating the provision of
22 state tax credit information to individual taxpayers in any interactions identified in
23 paragraph B;

24 D. Recommending strategies to expand the practice of promoting awareness of state
25 tax credits throughout appropriate state departments and agencies, including through
26 interdepartmental data sharing; and

27 E. Recommending improvements to the State's free electronic tax filing system, known
28 as the Maine Tax Portal, including recommendations to improve:

29 (1) Public education efforts to promote the existence and availability of the
30 electronic tax filing system; and

31 (2) Ease of use and accessibility features, including mobile access, use of plain
32 language and accessibility to non-English speaking individuals; and

33 4. Study and address current practices of municipalities related to promoting awareness
34 of individual state tax credits and tax relief programs by:

35 A. Identifying and assessing the current practices of municipalities throughout the
36 State, including with respect to promoting awareness of the following:

37 (1) The earned income credit under the Maine Revised Statutes, Title 36, section
38 5219-S;

39 (2) The property tax fairness credit under the Maine Revised Statutes, Title 36,
40 section 5219-KK;

- 1 (3) The dependent exemption tax credit under the Maine Revised Statutes, Title
- 2 36, section 5219-SS;
- 3 (4) The sales tax fairness credit under the Maine Revised Statutes, Title 36, section
- 4 5213-A; and
- 5 (5) A deferred collection of homestead property taxes under the Maine Revised
- 6 Statutes, Title 36, chapter 908; and
- 7 B. Evaluate and address any barriers preventing a municipality from expanding the
- 8 municipality's efforts to promote individual taxpayer awareness of state tax credits.

9 **Sec. B-2. Report.** By November 4, 2026, the taxpayer advocate and experience
10 officer within the Department of Administrative and Financial Services, Bureau of
11 Revenue Services shall submit to the joint standing committee of the Legislature having
12 jurisdiction over taxation matters a report consisting of the taxpayer advocate and
13 experience officer's findings and recommendations, including any suggested legislation.
14 The joint standing committee of the Legislature having jurisdiction over taxation matters
15 may report out legislation related to the report to the 133rd Legislature in 2027.'

16 Amend the bill in Part C in section 1 in the first line (page 6, line 24 in L.D.) by striking
17 out the following: "2025" and inserting the following: '2026'

18 Amend the bill in Part C in section 1 in the 4th line (page 6, line 27 in L.D.) by striking
19 out the following: "General Fund" and inserting the following: 'Other Special Revenue
20 Funds'

21 Amend the bill in Part C in section 2 in the first line (page 6, line 30 in L.D.) by striking
22 out the following: "June" and inserting the following: 'December'

23 Amend the bill in Part C by inserting after section 2 the following:

24 '**Sec. C-3. Appropriations and allocations.** The following appropriations and
25 allocations are made.

26 **UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE**
27 **New Ventures Maine Z169**

28 Initiative: Allocates one-time funds to support a coalition of approximately 50
29 organizations providing free volunteer tax assistance and other financial education services
30 to low-income individuals and families statewide.

31	OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
32	All Other	\$150,000	\$0
33			
34	OTHER SPECIAL REVENUE FUNDS TOTAL	\$150,000	\$0

35 '

36 Amend the bill by striking out all of the emergency clause.

37 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
38 number to read consecutively.

SUMMARY

This amendment replaces Part A of the bill, changes the title of the taxpayer advocate in the Department of Administrative and Financial Services, Bureau of Revenue Services to the taxpayer advocate and experience officer and revises the duties of the position.

The amendment replaces Part B of the bill. It requires the taxpayer advocate and experience officer to study and develop recommendations to increase the use of individual state tax credits by individuals in this State by examining the following: current use of state tax credits; services offered by large tax preparation firms with respect to assisting customers to access state tax credits; the role of State Government in promoting public awareness of individual state tax credits; and municipal efforts to promote public awareness of individual state tax credits.

The amendment requires the taxpayer advocate and experience officer to submit to the joint standing committee of the Legislature having jurisdiction over taxation matters by November 4, 2026 a report consisting of the taxpayer advocate and experience officer's findings and recommendations, including any proposed legislation. The joint standing committee may report out legislation related to the report to the 133rd Legislature in 2027.

The amendment changes in Part C of the bill the date by which the State Controller is required to transfer funds for volunteer tax assistance from June 30, 2025 to June 30, 2026, requires the funds to come from an Other Special Revenue Funds account instead of the General Fund and changes the date of the report by the Chancellor of the University of Maine System to December 1, 2026.

The amendment also changes the title, adds an appropriations and allocations section and removes the emergency preamble and emergency clause.

FISCAL NOTE REQUIRED

(See attached)