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STATE OF MAINE
SENATE
127TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 702, L.D. 1019, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2016 and June 30, 2017"

Amend the amendment by striking out all of Part H.

Amend the amendment by striking out all of Part J and inserting the following:

'PART J

Sec. J-1. 36 MRSA §4102, sub-§5, as enacted by PL 2011, c. 380, Pt. M, §9, is amended to read:

5. Maine exclusion amount. For estates of decedents dying on or after January 1, 2013, but before January 1, 2016, "Maine exclusion amount" means \$2,000,000. For estates of decedents dying on or after January 1, 2016, "Maine exclusion amount" means the basic exclusion amount determined for the calendar year in accordance with the Code, Section 2010(c)(3).

Sec. J-2. 36 MRSA §4103, sub-§1, as enacted by PL 2011, c. 380, Pt. M, §9, is amended to read:

1. Imposition of tax. A tax is imposed on the transfer of the Maine taxable estate of every person who, at the time of death, was a resident of this State. The amount of tax is determined as provided in this section.

A. If the Maine taxable estate is \$2,000,000 or less than or equal to the Maine exclusion amount, the tax is \$0.

B. If the Maine taxable estate is more than \$2,000,000 the Maine exclusion amount but no more than \$5,000,000 the Maine exclusion amount plus \$3,000,000, the tax is 8% of the excess over \$2,000,000 the Maine exclusion amount.

C. If the Maine taxable estate is more than \$5,000,000 the Maine exclusion amount plus \$3,000,000 but no more than \$8,000,000 the Maine exclusion amount plus

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1 \$6,000,000, the tax is \$240,000 plus 10% of the excess over \$5,000,000 the Maine
2 exclusion amount plus \$3,000,000.

3 D. If the Maine taxable estate is more than \$8,000,000 the Maine exclusion amount
4 plus \$6,000,000, the tax is \$540,000 plus 12% of the excess over \$8,000,000 the
5 Maine exclusion amount plus \$6,000,000.

6 The amount of this tax is multiplied by a fraction, the numerator of which is the value of
7 that portion of the decedent's adjusted federal gross estate that consists of real and
8 tangible personal property located in this State plus the value of all intangible personal
9 property and the denominator of which is the value of the decedent's adjusted federal
10 gross estate.

11 **Sec. J-3. Application.** That Section of this Part that amends the Maine Revised
12 Statutes, Title 36, section 4103 applies to estates of decedents dying on or after January 1,
13 2016.'

14 Amend the amendment by striking out all of Part K and inserting the following:

15 **'PART K**

16 **Sec. K-1. 36 MRSA §683, sub-§1-B** is enacted to read:

17 **1-B. Additional exemption.** A homestead eligible for an exemption under
18 subsection 1 is eligible for an additional exemption of \$5,000 of the just value of the
19 homestead for property tax years beginning on April 1, 2016 and of \$10,000 of the just
20 value of the homestead for property tax years beginning on or after April 1, 2017.

21 **Sec. K-2. 36 MRSA §683, sub-§§3 and 4**, as amended by PL 2005, c. 2, Pt. F,
22 §3 and affected by §5, are further amended to read:

23 **3. Effect on state valuation.** Fifty percent of the just value of homesteads exempt
24 under this subchapter homestead exemptions under subsection 1 and, for additional
25 exemptions under subsection 1-B, 50% of the just value of the exemptions for property
26 tax years beginning April 1, 2016 and 75% of the just value of the exemptions for
27 subsequent property tax years must be included in the annual determination of state
28 valuation under sections 208 and 305.

29 **4. Property tax rate.** Fifty percent of the value of homestead exemptions under this
30 subchapter subsection 1 and, for additional exemptions under subsection 1-B, 50% of the
31 just value of the exemptions for property tax years beginning on April 1, 2016 and 75%
32 of the just value of the exemptions for subsequent property tax years must be included in
33 the total municipal valuation used to determine the municipal tax rate. The municipal tax
34 rate as finally determined may be applied to only the taxable portion of each homestead
35 qualified for that tax year.

36 **Sec. K-3. 36 MRSA §683, sub-§5**, as enacted by PL 2005, c. 647, §4 and
37 affected by §5, is amended to read:

38 **5. Determination of exemption for cooperative housing corporation.** A
39 cooperative housing corporation may apply for an exemption under this subchapter to be
40 applied against the valuation of property of the corporation that is occupied by qualifying

1 shareholders. The application must include a list of all qualifying shareholders and must
2 be updated annually to reflect changes in the ownership and residency of qualifying
3 shareholders. The exemption is equal to the ~~amount~~ amounts specified in ~~subsection~~
4 subsections 1 and 1-B multiplied by the number of units in the cooperative property
5 occupied by qualifying shareholders. A cooperative housing corporation that receives an
6 exemption pursuant to this section shall apportion the property tax reduction resulting
7 from the exemption among the qualifying shareholders on a per unit basis. Any
8 supplemental assessment resulting from disqualification for exemption must be applied in
9 the same manner against the qualifying shareholders for whom the disqualification
10 applies.

11 **Sec. K-4. 36 MRSA §685, sub-§2**, as amended by PL 2005, c. 2, Pt. F, §4 and
12 affected by §5, is further amended to read:

13 **2. Entitlement to reimbursement by the State; calculation.** A municipality that
14 has approved homestead exemptions under this subchapter may recover from the State
15 ~~50% of the taxes lost by reason of the exemptions upon proof in a form satisfactory to the~~
16 ~~bureau. The bureau shall reimburse the Unorganized Territory Education and Services~~
17 ~~Fund for 50% of taxes lost by reason of the exemption.;~~

18 A. Fifty percent of the taxes lost by reason of the exemptions under section 683,
19 subsection 1; and

20 B. For taxes lost by reason of additional exemptions under section 683, subsection
21 1-B, 50% of the taxes lost for property tax years beginning April 1, 2016 and 75% of
22 the taxes lost for subsequent property tax years.

23 The municipality must provide proof in a form satisfactory to the bureau. The bureau
24 shall reimburse the Unorganized Territory Education and Services Fund in the same
25 manner for taxes lost by reason of the exemptions.'

26 Amend the amendment by striking out all of Part L and inserting the following:

27 **'PART L**

28 **Sec. L-1. 30-A MRSA §5681, sub-§5**, as amended by PL 2009, c. 213, Pt. S, §4
29 and affected by §16, is further amended to read:

30 **5. Transfers to funds.** No later than the 10th day of each month, the State
31 Controller shall transfer to the Local Government Fund 5% of the receipts during the
32 previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36,
33 section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund
34 without any reduction, except that for fiscal years 2015-16, 2016-17, 2017-18 and 2018-
35 19 the amount transferred is 2% of the receipts during the previous month from the taxes
36 imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1,
37 paragraphs A to F and L, and credited to the General Fund without any reduction, and
38 except that the postage, state cost allocation program and programming costs of
39 administering state-municipal revenue sharing may be paid by the Local Government
40 Fund. A percentage share of the amounts transferred to the Local Government Fund each
41 month must be transferred to the Disproportionate Tax Burden Fund and distributed
42 pursuant to subsection 4-B as follows:

- 1 C. For months beginning on or after July 1, 2009 but before July 1, 2010, 15%;
- 2 D. For months beginning on or after July 1, 2010 but before July 1, 2011, 16%;
- 3 E. For months beginning on or after July 1, 2011 but before July 1, 2012, 17%;
- 4 F. For months beginning on or after July 1, 2012 but before July 1, 2013, 18%;
- 5 G. For months beginning on or after July 1, 2013 but before July 1, 2014, 19%; and
- 6 H. For months beginning on or after July 1, 2014, 20%.'

7 Amend the amendment by striking out all of Part EE and inserting the following:

8 **'PART EE**

9 **Sec. EE-1. 20-A MRSA §11475, sub-§2**, as enacted by PL 1997, c. 732, §4, is
10 amended to read:

11 **2. Lump-sum payments.** A participation agreement may permit a participant to
12 make one or more lump-sum deposits to an account for the benefit of a specific
13 beneficiary. ~~Lump sum deposits may be made through the assignment of state tax~~
14 ~~refunds.~~

15 **Sec. EE-2. 36 MRSA §5111, sub-§1-D**, as enacted by PL 2013, c. 368, Pt. Q,
16 §4, is amended to read:

17 **1-D. Single individuals and married persons filing separate returns; tax years**
18 **beginning 2014 and 2015.** For tax years beginning ~~on or after January 1, in 2014 or~~
19 2015, for single individuals and married persons filing separate returns:

20 If Maine Taxable income is:	The tax is:
21 At least \$5,200 but less than \$20,900	6.5% of the excess over \$5,200
22 \$20,900 or more	\$1,021 plus 7.95% of the excess over
23	\$20,900

24
25 **Sec. EE-3. 36 MRSA §5111, sub-§§1-E and 1-F** are enacted to read:

26 **1-E. Single individuals and married persons filing separate returns; tax years**
27 **beginning 2016.** For tax years beginning in 2016, for single individuals and married
28 persons filing separate returns:

29 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
30 <u>Less than \$21,050</u>	<u>5.8% of the Maine taxable income</u>
31 <u>At least \$21,050 but less than \$37,500</u>	<u>\$1,221 plus 6.75% of the excess over</u>
32	<u>\$21,050</u>
33 <u>\$37,500 or more</u>	<u>\$2,331 plus 7.15% of the excess over</u>
34	<u>\$37,500</u>

35

1 **1-F. Single individuals and married persons filing separate returns; tax years**
2 **beginning 2017.** For tax years beginning on or after January 1, 2017, for single
3 individuals and married persons filing separate returns:

4 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
5 <u>Less than \$21,050</u>	<u>5.8% of the Maine taxable income</u>
6 <u>At least \$21,050 but less than \$50,000</u>	<u>\$1,221 plus 6.75% of the excess over</u>
	<u>\$21,050</u>
7 <u>\$50,000 or more</u>	<u>\$3,175 plus 7.15% of the excess over</u>
	<u>\$50,000</u>

10
11 **Sec. EE-4. 36 MRSA §5111, sub-§2-D**, as enacted by PL 2013, c. 368, Pt. Q,
12 §6, is amended to read:

13 **2-D. Heads of households; tax years beginning 2014 and 2015.** For tax years
14 ~~beginning on or after January 1, in~~ 2014 ~~or~~ 2015, for unmarried individuals or legally
15 separated individuals who qualify as heads of households:

16 <u>If Maine Taxable income is:</u>	<u>The tax is:</u>
17 <u>At least \$7,850 but less than \$31,350</u>	<u>6.5% of the excess over \$7,850</u>
18 <u>\$31,350 or more</u>	<u>\$1,528 plus 7.95% of the excess over</u>
	<u>\$31,350</u>

20
21 **Sec. EE-5. 36 MRSA §5111, sub-§§2-E and 2-F** are enacted to read:

22 **2-E. Heads of households; tax years beginning 2016.** For tax years beginning in
23 2016, for unmarried individuals or legally separated individuals who qualify as heads of
24 households:

25 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
26 <u>Less than \$31,550</u>	<u>5.8% of the Maine taxable income</u>
27 <u>At least \$31,550 but less than \$56,250</u>	<u>\$1,830 plus 6.75% of the excess over</u>
	<u>\$31,550</u>
28 <u>\$56,250 or more</u>	<u>\$3,497 plus 7.15% of the excess over</u>
29	<u>\$56,250</u>

30
31
32 **2-F. Heads of households; tax years beginning 2017.** For tax years beginning on
33 or after January 1, 2017, for unmarried individuals or legally separated individuals who
34 qualify as heads of households:

35 <u>If Maine taxable income is:</u>	<u>The tax is:</u>
36 <u>Less than \$31,550</u>	<u>5.8% of the Maine taxable income</u>
37 <u>At least \$31,550 but less than \$75,000</u>	<u>\$1,830 plus 6.75% of the excess over</u>
38	<u>\$31,550</u>

1	<u>\$75,000 or more</u>	<u>\$4,763 plus 7.15% of the excess over</u>
2		<u>\$75,000</u>

3

4 **Sec. EE-6. 36 MRSA §5111, sub-§3-D**, as enacted by PL 2013, c. 368, Pt. Q,
5 §8, is amended to read:

6 **3-D. Individuals filing married joint return or surviving spouses; tax years**
7 **beginning 2014 and 2015.** For tax years beginning ~~on or after January 1, in 2014 or~~
8 2015, for individuals filing married joint returns or surviving spouses permitted to file a
9 joint return:

10	If Maine Taxable income is:	The tax is:
11	At least \$10,450 but less than \$41,850	6.5% of the excess over \$10,450
12	\$41,850 or more	\$2,041 plus 7.95% of the excess over
13		\$41,850

14

15 **Sec. EE-7. 36 MRSA §5111, sub-§§3-E and 3-F** are enacted to read:

16 **3-E. Individuals filing married joint returns or surviving spouses; tax years**
17 **beginning 2016.** For tax years beginning in 2016, for individuals filing married joint
18 returns or surviving spouses permitted to file a joint return:

19	If Maine taxable income is:	The tax is:
20	<u>Less than \$42,100</u>	<u>5.8% of the Maine taxable income</u>
21	<u>At least \$42,100 but less than \$75,000</u>	<u>\$2,442 plus 6.75% of the excess over</u>
22		<u>\$42,100</u>
23	<u>\$75,000 or more</u>	<u>\$4,663 plus 7.15% of the excess over</u>
24		<u>\$75,000</u>

25

26 **3-F. Individuals filing married joint returns or surviving spouses; tax years**
27 **beginning 2017.** For tax years beginning on or after January 1, 2017, for individuals
28 filing married joint returns or surviving spouses permitted to file a joint return:

29	If Maine taxable income is:	The tax is:
30	<u>Less than \$42,100</u>	<u>5.8% of the Maine taxable income</u>
31	<u>At least \$42,100 but less than \$100,000</u>	<u>\$2,442 plus 6.75% of the excess over</u>
32		<u>\$42,100</u>
33	<u>\$100,000 or more</u>	<u>\$6,350 plus 7.15% of the excess over</u>
34		<u>\$100,000</u>

35

36 **Sec. EE-8. 36 MRSA §5122, sub-§1, ¶JJ** is enacted to read:

1 JJ. For tax years beginning on or after January 1, 2016, an amount equal to the
2 taxpayer base multiplied by the following fraction:

3 (1) For single individuals and married persons filing separate returns, the
4 numerator is the taxpayer's Maine adjusted gross income less \$70,000, except
5 that the numerator may not be less than zero, and the denominator is \$75,000. In
6 no case may the fraction contained in this subparagraph produce a result that is
7 more than one. The \$70,000 amount used to calculate the numerator in this
8 subparagraph must be adjusted for inflation in accordance with section 5403,
9 subsection 3;

10 (2) For individuals filing as heads of households, the numerator is the taxpayer's
11 Maine adjusted gross income less \$105,000, except that the numerator may not
12 be less than zero, and the denominator is \$112,500. In no case may the fraction
13 contained in this subparagraph produce a result that is more than one. The
14 \$105,000 amount used to calculate the numerator in this subparagraph must be
15 adjusted for inflation in accordance with section 5403, subsection 3; or

16 (3) For individuals filing married joint returns or surviving spouses, the
17 numerator is the taxpayer's Maine adjusted gross income less \$140,000, except
18 that the numerator may not be less than zero, and the denominator is \$150,000.
19 In no case may the fraction contained in this subparagraph produce a result that is
20 more than one. The \$140,000 amount used to calculate the numerator in this
21 subparagraph must be adjusted for inflation in accordance with section 5403,
22 subsection 3.

23 For purposes of this paragraph, "taxpayer base" means either the taxpayer's
24 applicable standard deduction amount for the taxable year determined under section
25 5124-B or, if itemized deductions are claimed, the taxpayer's itemized deductions
26 claimed for the taxable year determined under section 5125.

27 **Sec. EE-9. 36 MRSA §5122, sub-§2, ¶M-1**, as amended by PL 2013, c. 546,
28 §13, is further amended to read:

29 M-1. For tax years beginning on or after January 1, 2014, for each individual who is
30 a primary recipient of retirement plan benefits under an employee retirement plan or
31 an individual retirement account, an amount that is the lesser of the aggregate of
32 retirement plan benefits under employee retirement plans or individual retirement
33 accounts included in the individual's federal adjusted gross income and the pension
34 deduction amount reduced by the total amount of the individual's social security
35 benefits and railroad retirement benefits paid by the United States, but not less than
36 \$0. ~~The social security benefits and railroad retirement benefits reduction does not~~
37 ~~apply to benefits paid under a military retirement plan.~~

38 For purposes of this paragraph, the following terms have the following meanings.

39 (1) "Employee retirement plan" means a state, ~~or~~ federal ~~or military~~ retirement
40 plan or any other retirement benefit plan established and maintained by an
41 employer for the benefit of its employees under the Code, Section 401(a), Section
42 403 or Section 457(b), except that distributions made pursuant to a Section
43 457(b) plan are not eligible for the deduction provided by this paragraph if they

1 are made prior to age 55 and are not part of a series of substantially equal
2 periodic payments made for the life of the primary recipient or the joint lives of
3 the primary recipient and that recipient's designated beneficiary. "Employee
4 retirement plan" does not include a military retirement plan or survivor benefits
5 under such a plan.

6 (2) "Individual retirement account" means an individual retirement account
7 under Section 408 of the Code, a Roth IRA under Section 408A of the Code, a
8 simplified employee pension under Section 408(k) of the Code or a simple
9 retirement account for employees under Section 408(p) of the Code.

10 (3) "Military retirement plan" means retirement plan benefits received as a result
11 of service in the active or reserve components of the Army, Navy, Air Force,
12 Marines or Coast Guard.

13 (4) "Pension deduction amount" means \$10,000 for tax years beginning on or
14 after January 1, 2014.

15 (5) "Primary recipient" means the individual upon whose earnings or
16 contributions the retirement plan benefits are based or the surviving spouse of
17 that individual.

18 (6) "Retirement plan benefits" means employee retirement plan benefits, except
19 pick-up contributions for which a subtraction is allowed under paragraph E,
20 reported as pension or annuity income for federal income tax purposes and
21 individual retirement account benefits reported as individual retirement account
22 distributions for federal income tax purposes. "Retirement plan benefits" does
23 not include distributions that are subject to the tax imposed by the Code, Section
24 72(t);

25 **Sec. EE-10. 36 MRSA §5122, sub-§2, ¶M-2** is enacted to read:

26 M-2. For tax years beginning on or after January 1, 2016:

27 (1) For each individual who is a primary recipient of retirement plan benefits, the
28 reduction is the sum of:

29 (a) Excluding military retirement plan benefits, an amount that is the lesser
30 of the aggregate of retirement plan benefits under employee retirement plans
31 or individual retirement accounts included in the individual's federal adjusted
32 gross income and the pension deduction amount. The amount claimed under
33 this division must be reduced by the total amount of the individual's social
34 security benefits and railroad retirement benefits paid by the United States,
35 but not less than \$0; and

36 (b) An amount equal to the aggregate of retirement benefits under military
37 retirement plans included in the individual's federal adjusted gross income;
38 and

39 (2) For purposes of this paragraph, the following terms have the following
40 meanings.

1 (a) "Employee retirement plan" means a state, federal or military retirement
2 plan or any other retirement benefit plan established and maintained by an
3 employer for the benefit of its employees under the Code, Section 401(a),
4 Section 403 or Section 457(b), except that distributions made pursuant to a
5 Section 457(b) plan are not eligible for the deduction provided by this
6 paragraph if they are made prior to age 55 and are not part of a series of
7 substantially equal periodic payments made for the life of the primary
8 recipient or the joint lives of the primary recipient and that recipient's
9 designated beneficiary.

10 (b) "Individual retirement account" means an individual retirement account
11 under Section 408 of the Code, a Roth IRA under Section 408A of the Code,
12 a simplified employee pension under Section 408(k) of the Code or a simple
13 retirement account for employees under Section 408(p) of the Code.

14 (c) "Military retirement plan" means retirement plan benefits received as a
15 result of service in the active or reserve components of the Army, Navy, Air
16 Force, Marines or Coast Guard.

17 (d) "Pension deduction amount" means \$10,000 for tax years beginning in
18 2014.

19 (e) "Primary recipient" means the individual upon whose earnings or
20 contributions the retirement plan benefits are based or the surviving spouse of
21 that individual.

22 (f) "Retirement plan benefits" means employee retirement plan benefits,
23 except pick-up contributions for which a subtraction is allowed under
24 paragraph E, reported as pension or annuity income for federal income tax
25 purposes and individual retirement account benefits reported as individual
26 retirement account distributions for federal income tax purposes.
27 "Retirement plan benefits" does not include distributions that are subject to
28 the tax imposed by the Code, Section 72(t);

29 **Sec. EE-11. 36 MRS §5122, sub-§2, ¶T**, as amended by PL 2005, c. 519, Pt.
30 LLL, §1 and c. 622, §26, is repealed.

31 **Sec. EE-12. 36 MRS §5122, sub-§2, ¶Y**, as amended by PL 2007, c. 539, Pt.
32 CCC, §6 and c. 689, §1 and affected by §4, is repealed.

33 **Sec. EE-13. 36 MRS §5124-A**, as amended by PL 2013, c. 368, Pt. TT, §9, is
34 further amended to read:

35 **§5124-A. Standard deduction; resident before 2016**

36 The For tax years beginning before January 1, 2016, the standard deduction of a
37 resident individual is equal to the standard deduction as determined in accordance with
38 the Code, Section 63, except that, for tax years beginning in 2013, the standard deduction
39 is \$10,150 in the case of individuals filing a married joint return and surviving spouses
40 permitted to file a joint return and \$5,075 in the case of a married individual filing a
41 separate return.

1 **Sec. EE-14. 36 MRSA §5124-B** is enacted to read:

2 **§5124-B. Standard deduction; resident on or after January 1, 2016**

3 For tax years beginning on or after January 1, 2016, the standard deduction of a
4 resident individual is equal to the sum of the basic standard deduction and any additional
5 standard deduction.

6 **1. Basic standard deduction.** The basic standard deduction is:

7 A. For single individuals and married persons filing separate returns, the basic
8 standard deduction is \$11,600;

9 B. For individuals filing as heads of household, the basic standard deduction is the
10 amount allowed under paragraph A multiplied by 1.5; and

11 C. For individuals filing married joint returns or surviving spouses, the basic
12 standard deduction is the amount allowed under paragraph A multiplied by 2.

13 **2. Additional standard deduction.** The additional standard deduction is the amount
14 allowed under the Code, Section 63(c)(3).

15 **Sec. EE-15. 36 MRSA §5125, sub-§3, ¶C**, as amended by PL 2003, c. 390, §34,
16 is further amended to read:

17 C. Reduced by any amount of deduction attributable to income taxable to financial
18 institutions under chapter 819; and

19 **Sec. EE-16. 36 MRSA §5125, sub-§3, ¶D**, as amended by PL 2011, c. 380, Pt.
20 N, §8 and affected by §§19 and 20, is further amended to read:

21 D. Reduced by any amount attributable to interest or expenses incurred in the
22 production of income exempt from tax under this Part; ~~and~~

23 **Sec. EE-17. 36 MRSA §5125, sub-§3, ¶E**, as amended by PL 2011, c. 380, Pt.
24 N, §9 and affected by §§19 and 20, is repealed.

25 **Sec. EE-18. 36 MRSA §5125, sub-§5**, as enacted by PL 2013, c. 590, §1, is
26 repealed.

27 **Sec. EE-19. 36 MRSA §5213-A** is enacted to read:

28 **§5213-A. Sales tax fairness credit**

29 For tax years beginning on or after January 1, 2016, individuals are allowed a credit
30 as computed under this section against the taxes imposed under this Part.

31 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
32 following terms have the following meanings.

33 A. "Base credit" means:

34 (1) For an individual income tax return claiming one personal exemption, \$125;

35 (2) For an individual income tax return claiming 2 personal exemptions, \$175;

1 (3) For an individual income tax return claiming 3 personal exemptions, \$200;
2 and

3 (4) For an individual income tax return claiming 4 or more personal exemptions,
4 \$225.

5 For the purposes of this paragraph, personal exemption does not include a personal
6 exemption for an individual who is incarcerated.

7 B. "Income" means federal adjusted gross income increased by the following
8 amounts:

9 (1) Trade or business losses; capital losses; any net loss resulting from
10 combining the income or loss from rental real estate and royalties, the income or
11 loss from partnerships and S corporations, the income or loss from estates and
12 trusts, the income or loss from real estate mortgage investment conduits and the
13 net farm rental income or loss; any loss associated with the sale of business
14 property; and farm losses included in federal adjusted gross income;

15 (2) Interest received to the extent not included in federal adjusted gross income;

16 (3) Payments received under the federal Social Security Act and railroad
17 retirement benefits to the extent not included in federal adjusted gross income;
18 and

19 (4) The following amounts deducted in arriving at federal adjusted gross income:

20 (a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);

21 (b) Certain business expenses of performing artists pursuant to the Code,
22 Section 62(a)(2)(B);

23 (c) Certain business expenses of government officials pursuant to the Code,
24 Section 62(a)(2)(C);

25 (d) Certain business expenses of reservists pursuant to the Code, Section
26 62(a)(2)(E);

27 (e) Health savings account deductions pursuant to the Code, Section
28 62(a)(16) and Section 62(a)(19);

29 (f) Moving expenses pursuant to the Code, Section 62(a)(15);

30 (g) The deductible part of self-employment tax pursuant to the Code, Section
31 164(f);

32 (h) The deduction for self-employed SEP, SIMPLE and qualified plans
33 pursuant to the Code, Section 62(a)(6);

34 (i) The self-employed health insurance deduction pursuant to the Code,
35 Section 162(1);

36 (j) The penalty for early withdrawal of savings pursuant to the Code, Section
37 62(a)(9);

- 1 (k) Alimony paid pursuant to the Code, Section 62(a)(10);
- 2 (l) The IRA deduction pursuant to the Code, Section 62(a)(7);
- 3 (m) The student loan interest deduction pursuant to the Code, Section
- 4 62(a)(17);
- 5 (n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18);
- 6 and
- 7 (o) The domestic production activities deduction pursuant to the Code,
- 8 Section 199.

9 **2. Credit for resident taxpayer.** A resident individual is allowed a credit equal to
10 the applicable base credit amount, subject to the phase-out provisions under subsection 4.

11 **3. Credit for part-year resident taxpayer.** A taxpayer who files a return as a part-
12 year resident in accordance with section 5224-A is allowed a credit equal to the
13 applicable base credit amount, subject to the phase-out provisions under subsection 4,
14 multiplied by a ratio, the numerator of which is the individual's income as modified by
15 section 5122 for that portion of the taxable year during which the individual was a
16 resident plus the individual's income from sources within this State, as determined under
17 section 5142, for that portion of the taxable year during which the individual was a
18 nonresident and the denominator of which is the individual's entire income, as modified
19 by section 5122.

20 **4. Phase-out of credit.** The credit allowed under this section is phased out as
21 follows.

22 A. For single individuals, the credit is reduced by \$10 for every \$500 or portion
23 thereof that exceeds \$20,000 of the income.

24 B. For unmarried individuals or legally separated individuals who qualify as heads of
25 households, the credit is reduced by \$15 for every \$750 or portion thereof that
26 exceeds \$30,000 of the income.

27 C. For individuals filing married joint returns or surviving spouses permitted to file
28 joint returns, the credit is reduced by \$20 for every \$1,000 or portion thereof that
29 exceeds \$40,000 of the income.

30 **5. Refundability of credit.** The tax credit allowed under this section is refundable.

31 **6. Limitations.** The following individuals do not qualify for the credit under this
32 section:

33 A. Married taxpayers filing separate returns; or

34 B. Individuals who do not qualify as resident individuals because they do not meet
35 the requirements of section 5102, subsection 5102, subsection 5, paragraph A.

36 **Sec. EE-20. 36 MRSA §5215, sub-§6-C** is enacted to read:

37 **6-C. Application.** Except for the credit allowed with respect to the carry-over of
38 unused credit amounts pursuant to subsection 4, the tax credit allowed under this section
39 does not apply to tax years beginning on or after January 1, 2016.

1 **Sec. EE-21. 36 MRSA §5216-C**, as enacted by PL 1999, c. 475, §6 and affected
2 by §7, is repealed.

3 **Sec. EE-22. 36 MRSA §5217, sub-§5** is enacted to read:

4 **5. Application.** Except for the credit allowed with respect to the carry-over of
5 unused credit amounts pursuant to subsection 3, the credit allowed under this section does
6 not apply to tax years beginning on or after January 1, 2016.

7 **Sec. EE-23. 36 MRSA §5217-C, sub-§4** is enacted to read:

8 **4. Application.** Except for the credit allowed with respect to the carry-over of
9 unused credit amounts pursuant to subsection 3, the tax credit allowed under this section
10 does not apply to tax years beginning on or after January 1, 2016.

11 **Sec. EE-24. 36 MRSA §5218, sub-§4**, as amended by PL 2003, c. 391, §10, is
12 further amended to read:

13 **4. Refund.** The credit allowed by this section may result in a refund of up to \$500-
14 ~~In except, in the case of a nonresident individual, the refundable portion of the credit may~~
15 ~~not exceed \$500 multiplied by the ratio of the individual's Maine adjusted gross income,~~
16 ~~as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal~~
17 ~~adjusted gross income, as modified by section 5122~~ reduce the Maine income tax to less
18 than zero. In the case of an individual who files a return as a part-year resident in
19 accordance with section 5224-A, the refundable portion of the credit may not exceed
20 \$500 multiplied by a ratio, the numerator of which is the individual's Maine adjusted
21 gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of
22 the taxable year during which the individual was a resident plus the individual's Maine
23 adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that
24 portion of the taxable year during which the individual was a nonresident and the
25 denominator of which is the individual's entire federal adjusted gross income, as modified
26 by section 5122.

27 **Sec. EE-25. 36 MRSA §5219-A**, as amended by PL 2003, c. 390, §§46 and 47, is
28 repealed.

29 **Sec. EE-26. 36 MRSA §5219-C**, as amended by PL 2007, c. 627, §90, is
30 repealed.

31 **Sec. EE-27. 36 MRSA §5219-M, sub-§4, ¶C**, as enacted by PL 2001, c. 358,
32 Pt. M, §4 and affected by §6, is amended to read:

33 C. Except as otherwise provided by subsection 5, paragraph B, to reduce a person's
34 tax liability by more than \$100,000, after the allowance of all other tax credits except
35 for the ~~credits credit~~ credit allowed under ~~sections 5216-C and section 5219-L~~.

36 **Sec. EE-28. 36 MRSA §5219-M, sub-§7** is enacted to read:

37 **7. Application.** Except for the credit allowed with respect to the carry-over of
38 unused credit amounts pursuant to subsection 5, the tax credit allowed under this section
39 does not apply to tax years beginning on or after January 1, 2016.

40 **Sec. EE-29. 36 MRSA §5219-O, sub-§5** is enacted to read:

1 **5. Application.** Except for the credit allowed with respect to the carry-over of
2 unused credit amounts pursuant to subsection 4, the tax credit allowed under this section
3 does not apply to tax years beginning on or after January 1, 2016.

4 **Sec. EE-30. 36 MRSA §5219-Q, sub-§5** is enacted to read:

5 **5. Application.** Except for the credit allowed with respect to the carry-over of
6 unused credit amounts pursuant to subsection 4, the tax credit allowed under this section
7 does not apply to tax years beginning on or after January 1, 2016.

8 **Sec. EE-31. 36 MRSA §5219-S, sub-§4**, as enacted by PL 2007, c. 693, §31, is
9 amended to read:

10 **4. Limitation.** ~~The credit allowed by this section may not reduce the Maine income~~
11 ~~tax to less than zero~~ is refundable.

12 **Sec. EE-32. 36 MRSA §5219-X, sub-§5**, as enacted by PL 2003, c. 698, §1, is
13 amended to read:

14 **5. Application.** This section applies to tax years beginning on or after January 1,
15 2004. Except for the credit allowed with respect to the carry-over of unused credit
16 amounts pursuant to subsection 3, the tax credit allowed under this section does not apply
17 to tax years beginning on or after January 1, 2016.

18 **Sec. EE-33. 36 MRSA §5403**, as repealed and replaced by PL 2013, c. 551, §4, is
19 repealed and the following enacted in its place:

20 **§5403. Annual adjustments for inflation**

21 On or about September 15th of each year as specified in subsections 1 to 6, the
22 assessor shall multiply the cost-of-living adjustment for taxable years beginning in the
23 succeeding calendar year by the following:

24 **1. Individual income tax rate tables.** For the tax rate tables in section 5111:

25 A. Beginning in 2016 and each year thereafter, by the lowest dollar amounts of the
26 tax rate tables specified in section 5111, subsections 1-F, 2-F and 3-F, except that for
27 the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the
28 "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month
29 period ending June 30th of the preceding calendar year divided by the Chained
30 Consumer Price Index for the 12-month period ending June 30, 2015; and

31 B. Beginning in 2017 and each year thereafter, by the highest taxable income dollar
32 amount of each tax rate table, except that for the purposes of this paragraph,
33 notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the
34 Chained Consumer Price Index for the 12-month period ending June 30th of the
35 preceding calendar year divided by the Chained Consumer Price Index for the 12-
36 month period ending June 30, 2016;

37 **2. Standard deductions.** By the dollar amount contained in section 5124-B,
38 subsection 1, paragraph A, except that for the purposes of this subsection,
39 notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the
40 Chained Consumer Price Index for the 12-month period ending June 30th of the

1 preceding calendar year divided by the Chained Consumer Price Index for the 12-month
2 period ending June 30, 2015;

3 **3. Itemized deductions.** By the dollar amount of the itemized deduction limitation
4 amount in section 5125, subsection 4;

5 **4. Individual income tax standard deduction and itemized deduction phase-out.**
6 Beginning in 2017 and each year thereafter, by the dollar amount contained in the
7 numerator of the fraction specified in section 5122, subsection 1, paragraph JJ,
8 subparagraphs (1), (2) and (3), except that for the purposes of this subsection,
9 notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the
10 Chained Consumer Price Index for the 12-month period ending June 30th of the
11 preceding calendar year divided by the Chained Consumer Price Index for the 12-month
12 period ending June 30, 2016;

13 **5. Sales tax fairness credit.** For the sales tax fairness credit:

14 A. Beginning in 2017 and each year thereafter, by the base credit amount in section
15 5213-A, subsection 1, paragraph A, subparagraph (1), except that for the purposes of
16 this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living
17 adjustment" is the Chained Consumer Price Index for the 12-month period ending
18 June 30th of the preceding calendar year divided by the Chained Consumer Price
19 Index for the 12-month period ending June 30, 2016. If the base credit amount,
20 adjusted by application of the cost-of-living adjustment, is not a multiple of \$5, any
21 increase must be rounded to the next lowest multiple of \$5;

22 B. Beginning in 2017 and each year thereafter, the base credit amount in section
23 5213-A, subsection 1, paragraph A, subparagraphs (2) to (4) is equal to the base
24 credit amount determined in accordance with paragraph A, multiplied by the
25 following applicable factor:

26 (1) For section 5213-A, subsection 1, paragraph A, subparagraph (2), 1.4;

27 (2) For section 5213-A, subsection 1, paragraph A, subparagraph (3), 1.6; and

28 (3) For section 5213-A, subsection 1, paragraph A, subparagraph (4), 1.8.

29 If the base credit amount, adjusted by application of the appropriate factor, is not a
30 multiple of \$5, any increase must be rounded to the next lowest multiple of \$5; and

31 C. Beginning in 2016 and each year thereafter, by the dollar amount of the income
32 threshold set forth in section 5213-A, subsection 4, except that for the purposes of
33 this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living
34 adjustment" is the Chained Consumer Price Index for the 12-month period ending
35 June 30th of the preceding calendar year divided by the Chained Consumer Price
36 Index for the 12-month period ending June 30, 2015; and

37 **6. Property tax fairness credit.** Beginning in 2015 and each year thereafter, the
38 benefit base amounts in section 5219-KK, subsection 1, paragraph A.

39 Except for subsection 5, paragraphs A and B, if the dollar amount of each item,
40 adjusted by the application of the cost-of-living adjustment, is not a multiple of \$50, any
41 increase must be rounded to the next lowest multiple of \$50.

1 If the cost-of-living adjustment for any taxable year would be less than the cost-of-
2 living adjustment for the preceding calendar year, the cost-of-living adjustment is the
3 same as for the preceding calendar year. The assessor shall incorporate such changes into
4 the income tax forms, instructions and withholding tables for the taxable year.

5 **Sec. EE-34. Application.** Those sections of this Part that amend the Maine
6 Revised Statutes, Title 20-A, section 11475, subsection 2 and Title 36, section 5122,
7 subsection 2, paragraph M-1, section 5124-A, section 5218, subsection 4 and section
8 5219-S, subsection 4; and that repeal Title 36, section 5122, subsection 2, paragraphs T
9 and Y and sections 5216-C, 5219-A and 5219-C apply to tax years beginning on or after
10 January 1, 2016.'

11 Amend the amendment by striking out all of Part PPPP.

12 Amend the amendment by striking out all of Part QQQQ and inserting the following:

13 **'PART QQQQ**

14 **Sec. QQQQ-1. 5 MRSA §13090-K, sub-§2,** as amended by PL 2013, c. 368, Pt.
15 M, §1, is further amended to read:

16 **2. Source of fund.** Beginning July 1, 2003 and every July 1st thereafter, the State
17 Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as
18 certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax imposed on
19 tangible personal property and taxable services pursuant to Title 36, section 1811, for the
20 first 6 months of the prior fiscal year after the reduction for the transfer to the Local
21 Government Fund as described by Title 30-A, section 5681, subsection 5, except that,
22 from October 1, 2013 to ~~June 30~~ December 31, 2015, the amount is equivalent to 5% of
23 the 8% tax imposed on tangible personal property and taxable services pursuant to Title
24 36, section 1811 and beginning July 1, 2016 the amount is equivalent to 5% of the 8% tax
25 and 5% of the 9% tax imposed on tangible personal property and taxable services
26 pursuant to Title 36, section 1811. Beginning on October 1, 2003 and every October 1st
27 thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund
28 an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax
29 imposed on tangible personal property and taxable services pursuant to Title 36, section
30 1811, for the last 6 months of the prior fiscal year after the reduction for the transfer to
31 the Local Government Fund, except that, from October 1, 2013 to ~~June 30~~ December 31,
32 2015, the amount is equivalent to 5% of the 8% tax imposed on tangible personal
33 property and taxable services pursuant to Title 36, section 1811 and beginning October 1,
34 2016 the amount is equivalent to 5% of the 8% tax and 5% of the 9% tax imposed on
35 tangible personal property and taxable services pursuant to Title 36, section 1811. The
36 tax amount must be based on actual sales for that fiscal year and may not consider any
37 accruals that may be required by law. The amount transferred from General Fund sales
38 and use tax revenues does not affect the calculation for the transfer to the Local
39 Government Fund.

40 **Sec. QQQQ-2. 36 MRSA §1752, sub-§3-B,** as amended by PL 1999, c. 698, §1
41 and affected by §3, is further amended to read:

1 **3-B. Grocery staples.** "Grocery staples" means food products ordinarily consumed
2 for human nourishment.

3 "Grocery staples" does not include ~~spirituous, malt or vinous liquors; soft drinks, iced tea,~~
4 ~~sodas or beverages such as are ordinarily dispensed at bars or soda fountains or in~~
5 ~~connection with bars or soda fountains; medicines, tonics, vitamins and preparations in~~
6 ~~liquid, powdered, granular, tablet, capsule, lozenge or pill form, sold as dietary~~
7 ~~supplements or adjuncts, except when sold on the prescription of a physician; water,~~
8 ~~including mineral bottled and carbonated waters and ice; dietary substitutes; candy and~~
9 ~~confections; and prepared food.;~~

10 A. Spirituous, malt or vinous liquors;

11 B. Medicines, tonics, vitamins and preparations in liquid, powdered, granular, tablet,
12 capsule, lozenge or pill form, sold as dietary supplements or adjuncts, except when
13 sold on the prescription of a physician;

14 C. Water, including mineral bottled and carbonated waters and ice;

15 D. Dietary substitutes;

16 E. Candy and confections, including but not limited to confectionery spreads. As
17 used in this paragraph, "candy" means a preparation of sugar, honey or other natural
18 or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients
19 or flavorings in the form of bars, drops or pieces;

20 F. Prepared food; and

21 G. The following food and drinks ordinarily sold for consumption without further
22 preparation:

23 (1) Soft drinks and powdered and liquid drink mixes except powdered milk,
24 infant formula, coffee and tea;

25 (2) Sandwiches and salads;

26 (3) Supplemental meal items such as corn chips, potato chips, crisped vegetable
27 or fruit chips, potato sticks, pork rinds, pretzels, crackers, popped popcorn,
28 cheese sticks, cheese puffs and dips;

29 (4) Fruit bars, granola bars, trail mix, breakfast bars, rice cakes, popcorn cakes,
30 bread sticks and dried sugared fruit;

31 (5) Nuts and seeds that have been processed or treated by salting, spicing,
32 smoking, roasting or other means;

33 (6) Desserts and bakery items, including but not limited to doughnuts, cookies,
34 muffins, dessert breads, pastries, croissants, cakes, pies, ice cream cones, ice
35 cream, ice milk, frozen confections, frozen yogurt, sherbet, ready-to-eat pudding,
36 gelatins and dessert sauces; and

37 (7) Meat sticks, meat jerky and meat bars.

1 As used in this paragraph, "without further preparation" does not include combining
2 an item with a liquid or toasting, microwaving or otherwise heating or thawing a
3 product for palatability rather than for the purpose of cooking the product.

4 "Grocery staples" includes bread and bread products, jam, jelly, pickles, honey,
5 condiments, maple syrup, spaghetti sauce or salad dressing when packaged as a separate
6 item for retail sale.

7 **Sec. QQQQ-3. 36 MRSA §1752, sub-§14-F** is enacted to read:

8 **14-F. Soft drinks.** "Soft drinks" means nonalcoholic beverages that contain natural
9 or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or
10 milk products; that contain soy, rice or similar milk substitutes; or that contain greater
11 than 50% vegetable or fruit juice by volume.

12 **Sec. QQQQ-4. 36 MRSA §1760, sub-§§98 and 99** are enacted to read:

13 **98. Certain veterans' support organizations.** Sales to incorporated nonprofit
14 organizations organized for the purpose of providing direct supportive services in the
15 State to veterans and their families living with service-related post-traumatic stress
16 disorder or traumatic brain injury.

17 **99. Nonprofit library collaboratives.** Sales to nonprofit collaboratives of
18 academic, public, school and special libraries that provide support for library resource
19 sharing, promote quality library information services and support the cultural, educational
20 and economic development of the State.

21 **Sec. QQQQ-5. 36 MRSA §1811, first ¶,** as repealed and replaced by PL 2013,
22 c. 588, Pt. E, §11, is amended to read:

23 A tax is imposed on the value of all tangible personal property, products transferred
24 electronically and taxable services sold at retail in this State. The rate of tax is 7% on the
25 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
26 subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of
27 living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of
28 rental for a period of less than one year of an automobile, of a pickup truck or van with a
29 gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged
30 in the business of renting automobiles or of a loaner vehicle that is provided other than to
31 a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's
32 warranty; 7% on the value of prepared food; and 5% on the value of all other tangible
33 personal property and taxable services and products transferred electronically.
34 Notwithstanding the other provisions of this section, from October 1, 2013 to ~~June 30~~
35 December 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any
36 hotel, rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on
37 the value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
38 subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all
39 other tangible personal property and taxable services and products transferred
40 electronically. Notwithstanding the other provisions of this section, beginning January 1,
41 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel, rooming
42 house or tourist or trailer camp; 8% on the value of prepared food; 8% on the value of
43 liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15,
44 in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible

1 personal property and taxable services and products transferred electronically. Value is
2 measured by the sale price, except as otherwise provided. The value of rental for a period
3 of less than one year of an automobile or of a pickup truck or van with a gross vehicle
4 weight of less than 26,000 pounds rented from a person primarily engaged in the business
5 of renting automobiles is the total rental charged to the lessee and includes, but is not
6 limited to, maintenance and service contracts, drop-off or pick-up fees, airport
7 surcharges, mileage fees and any separately itemized charges on the rental agreement to
8 recover the owner’s estimated costs of the charges imposed by government authority for
9 title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet
10 registered in the State. All fees must be disclosed when an estimated quote is provided to
11 the lessee.

12 **Sec. QQQQ-6. 36 MRSA §1812, sub-§1, ¶F** is enacted to read:

13 F. If the tax rate is 9%:

<u>Amount of Sale Price</u>	<u>Amount of Tax</u>
14 <u>\$0.01 to \$0.05, inclusive</u>	14 <u>0¢</u>
15 <u>.06 to .11, inclusive</u>	15 <u>1¢</u>
16 <u>.12 to .22, inclusive</u>	16 <u>2¢</u>
17 <u>.23 to .33, inclusive</u>	17 <u>3¢</u>
18 <u>.34 to .44, inclusive</u>	18 <u>4¢</u>
19 <u>.45 to .56, inclusive</u>	19 <u>5¢</u>
20 <u>.57 to .67, inclusive</u>	20 <u>6¢</u>
21 <u>.68 to .78, inclusive</u>	21 <u>7¢</u>
22 <u>.79 to .89, inclusive</u>	22 <u>8¢</u>
23 <u>.90 to 1.00, inclusive</u>	23 <u>9¢</u>

25 **Sec. QQQQ-7. Application date.** This Part applies to sales occurring on or after
26 January 1, 2016 except that the section of this Part that amends the Maine Revised
27 Statutes, Title 36, section 1811, first paragraph, applies to sales occurring on or after July,
28 2015 and the sections that enact Title 36, section 1760, subsections 98 and 99, apply to
29 sales occurring on or after October 1, 2015.'

30 Amend the amendment by inserting after Part SSSS the following:

31 **'PART TTTT**

32 **Sec. TTTT-1. 22 MRSA §3736, sub-§3** is enacted to read:

33 **3. Application; effective date.** If an applicant for child care programs administered
34 under this chapter is determined eligible, child care assistance must be provided
35 retroactively to the date of application.

36 **Sec. TTTT-2. 22 MRSA §3762, sub-§3, ¶B,** as amended by PL 2013, c. 368,
37 Pt. OO, §3 and Pt. UUU, §1 and affected by §2, is enacted to read:

38 B. The department may use funds, insofar as resources permit, provided under and in
39 accordance with the United States Social Security Act or state funds appropriated for
40 this purpose or a combination of state and federal funds to provide assistance to

1 families under this chapter. In addition to assistance for families described in this
2 subsection, funds must be expended for the following purposes:

3 (1) To continue the pass-through of the first \$50 per month of current child
4 support collections and the exclusion of the \$50 pass-through from the budget
5 tests and benefit calculations;

6 (2) To provide financial assistance to noncitizens legally admitted to the United
7 States who are receiving assistance under this subsection as of July 1, 2011.
8 Recipients of assistance under this subparagraph are limited to the categories of
9 noncitizens who would be eligible for the TANF programs but for their status as
10 aliens under PRWORA. Eligibility for the TANF program for these categories of
11 noncitizens must be determined using the criteria applicable to other recipients of
12 assistance from the TANF program. Any household receiving assistance as of
13 July 1, 2011 may continue to receive assistance, as long as that household
14 remains eligible, without regard to interruptions in coverage or gaps in eligibility
15 for service. A noncitizen legally admitted to the United States who is neither
16 receiving assistance on July 1, 2011 nor has an application pending for assistance
17 on July 1, 2011 that is later approved is not eligible for financial assistance
18 through a state-funded program unless that noncitizen is:

19 (a) Elderly or disabled, as described under the laws governing supplemental
20 security income in 42 United States Code, Sections 1381 to 1383f (2010);

21 (b) A victim of domestic violence;

22 (c) Experiencing other hardship, such as time necessary to obtain proper
23 work documentation, as defined by the department by rule. Rules adopted by
24 the department under this division are routine technical rules as defined by
25 Title 5, chapter 375, subchapter 2-A; or

26 (d) Unemployed but has obtained proper work documentation, as defined by
27 the department by rule. Rules adopted by the department under this division
28 are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A;

29 (3) To provide benefits to certain 2-parent families whose deprivation is based on
30 physical or mental incapacity;

31 (4) To provide an assistance program for needy children, 19 to 21 years of age,
32 who are in full-time attendance in secondary school. The program is operated for
33 those individuals who qualify for TANF under the United States Social Security
34 Act, except that they fail to meet the age requirement, and is also operated for the
35 parent or caretaker relative of those individuals. Except for the age requirement,
36 all provisions of TANF, including the standard of need and the amount of
37 assistance, apply to the program established pursuant to this subparagraph;

38 (5) To provide assistance for a pregnant woman who is otherwise eligible for
39 assistance under this chapter, except that she has no dependents under 19 years of
40 age. An individual is eligible for the monthly benefit for one eligible person if
41 the medically substantiated expected date of the birth of her child is not more
42 than 90 days following the date the benefit is received;

- 1 (6) To provide a special housing allowance for TANF families whose shelter
2 expenses for rent, mortgage or similar payments, homeowners insurance and
3 property taxes equal or exceed 75% of their monthly income. The special
4 housing allowance is limited to \$200 per month for each family. For purposes of
5 this subparagraph, "monthly income" means the total of the TANF monthly
6 benefit and all income countable under the TANF program, plus child support
7 received by the family, excluding the \$50 pass-through payment;
- 8 (7) In determining benefit levels for TANF recipients who have earnings from
9 employment, the department shall disregard from monthly earnings the
10 following:
- 11 (a) One hundred and eight dollars;
- 12 (b) Fifty percent of the remaining earnings that are less than the federal
13 poverty level; and
- 14 (c) All actual child care costs necessary for work, except that the department
15 may limit the child care disregard to \$175 per month per child or \$200 per
16 month per child under 2 years of age or with special needs;
- 17 (7-A) In determining eligibility and benefit levels, the department may apply a
18 gross income test only to applicants and not to recipients;
- 19 (8) In cases when the TANF recipient has no child care cost, the monthly TANF
20 benefit is the maximum payment level or the difference between the countable
21 earnings and the standard of need established by rule adopted by the department,
22 whichever is lower;
- 23 (9) In cases when the TANF recipient has child care costs, the department shall
24 determine a total benefit package, including TANF cash assistance, determined in
25 accordance with subparagraph (7) and additional child care assistance, as
26 provided by rule, necessary to cover the TANF recipient's actual child care costs
27 up to the maximum amount specified in section 3782-A, subsection 5. The
28 benefit amount must be paid as provided in this subparagraph.
- 29 (a) Before the first month in which child care assistance is available to an
30 ASPIRE-TANF recipient under this paragraph and periodically thereafter, the
31 department shall notify the recipient of the total benefit package and the
32 following options of the recipient: to receive the total benefit package
33 directly; or to have the department pay the recipient's child care assistance
34 directly to the designated child care provider for the recipient and pay the
35 balance of the total benefit package to the recipient.
- 36 (b) If an ASPIRE-TANF recipient notifies the department that the recipient
37 chooses to receive the child care assistance directly, the department shall pay
38 the total benefit package to the recipient.
- 39 (c) If an ASPIRE-TANF recipient does not respond or notifies the
40 department of the choice to have the child care assistance paid directly to the
41 child care provider from the total benefit package, the department shall pay

1 the child care assistance directly to the designated child care provider for the
2 recipient. The department shall pay the balance of the total benefit package
3 to the recipient;

4 (10) Child care assistance under this paragraph must be paid by the department
5 in a prompt manner that permits an ASPIRE-TANF recipient to access child care
6 necessary for work; and

7 (11) The department shall adopt rules pursuant to Title 5, chapter 375 to
8 implement this subsection. Rules adopted pursuant to this subparagraph are
9 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

10 **Sec. TTTT-3. 22 MRSA §3762, sub-§8, ¶B**, as amended by PL 2013, c. 97, §1,
11 is further amended to read:

12 B. The department shall provide limited transitional transportation benefits to meet
13 employment-related costs to ASPIRE-TANF program participants who lose
14 eligibility for TANF assistance due to employment. The department may also make
15 transitional transportation benefits available to families in which one or both adults
16 are working and who, although they remain financially eligible for TANF benefits,
17 request that their benefits be terminated. Benefits may be provided for up to ~~12~~ 18
18 months following loss of TANF eligibility. The department may adopt rules that
19 impose a weekly limit on available transitional transportation benefits and that
20 require a contribution from each participant toward the cost of transportation.

21 **Sec. TTTT-4. 22 MRSA §3769-D** is enacted to read:

22 **§3769-D. Temporary Assistance for Needy Families block grant; family**
23 **development accounts**

24 In fiscal year 2016-17 and annually thereafter, the Department of Health and Human
25 Services may use \$500,000 in funds provided under the Temporary Assistance for Needy
26 Families block grant to promote financial literacy and healthy savings habits of families
27 with income less than 200% of the federal poverty guidelines through the placement of
28 funds in family development accounts established pursuant to Title 10, chapter 110,
29 subchapter 4-A.

30 **PART UUUU**

31 **Sec. UUUU-1. 22 MRSA §4311**, as amended by PL 2013, c. 368, Pt. OO, §§10
32 and 11, is further amended to read:

33 **§4311. State reimbursement to municipalities; reports**

34 **1. Departmental reimbursement.** When a municipality incurs net general
35 assistance costs in any fiscal year prior to July 1, 2015 in excess of .0003 of that
36 municipality's most recent state valuation relative to the state fiscal year for which
37 reimbursement is being issued, as determined by the State Tax Assessor in the statement
38 filed as provided in Title 36, section 381, the Department of Health and Human Services
39 shall reimburse the municipality for 90% of the amount in excess of these expenditures
40 when the department finds that the municipality has been in compliance with all

1 requirements of this chapter. If a municipality elects to determine need without
2 consideration of funds distributed from any municipally-controlled trust fund that must
3 otherwise be considered for purposes of this chapter, the department shall reimburse the
4 municipality for 66 2/3% of the amount in excess of such expenditures when the
5 department finds that the municipality has otherwise been in compliance with all
6 requirements of this chapter.

7 The department shall reimburse each municipality and each Indian tribe 70% of the direct
8 costs incurred by that municipality or tribe on or after July 1, 2015 for the general
9 assistance program granted by that municipality or tribe. For the purposes of this
10 subsection, "Indian tribe" has the same meaning as in section 411, subsection 8-A.

11 **1-A. Municipalities reimbursed.** When a municipality pays for expenses approved
12 pursuant to section 4313 for hospital inpatient or outpatient care at any hospital on behalf
13 of any person who is otherwise eligible and who would have been entitled to receive
14 payments for hospital care if that care had been rendered prior to May 1, 1984, for
15 services under the Catastrophic Illness Program, section 3185, the department shall
16 reimburse the municipality for 100% of those payments.

17 **1-B. Reimbursement for administrative expenses.** The department shall
18 reimburse each municipality for the costs of a portion of the direct costs of paying
19 benefits incurred prior to July 1, 2015 through its general assistance program if the
20 department finds that the municipality was in compliance with all requirements of this
21 chapter during the fiscal year for which reimbursement is sought. The amount of
22 reimbursement to each municipality must be an amount equal to:

23 A. Fifty percent of all general assistance granted by that municipality below the
24 .0003% of all state valuation amount; or

25 B. Ten percent of all general assistance granted.

26 Each municipality shall elect to be reimbursed under paragraph A or B at the beginning
27 of the fiscal year for which reimbursement is sought.

28 Notwithstanding any other provision of law, this subsection takes effect on July 1, 1989.

29 **1-C. Indian tribe reimbursement.** The department shall reimburse each Indian
30 tribe for the costs of a portion of the direct costs of paying benefits through its general
31 assistance program if the department finds that the Indian tribe was in compliance with all
32 requirements of this chapter during the fiscal year for which those benefits are sought.

33 The amount of reimbursement must be calculated for each fiscal year by adding 10% of
34 all general assistance granted up to the threshold amount to 100% of all general assistance
35 granted above the threshold amount.

36 For the purposes of this subsection, "Indian tribe" has the same meaning as in section
37 411, subsection 8-A. For purposes of this subsection, "threshold amount" means 0.0003
38 of the Indian tribe's most recent state valuation, as determined by the State Tax Assessor
39 in the statement filed as provided in Title 36, section 381, relative to the year for which
40 reimbursement is being issued.

41 **2. Submission of reports.** ~~Municipalities~~ Each municipality shall submit reports as
42 follows report on a schedule determined by the department through rulemaking the direct

1 cost of paying benefits through the general assistance program on forms for
2 reimbursement provided by the department.

3 ~~A. For purposes of this section, those municipalities that received reimbursement at~~
4 ~~90% during the previous fiscal year of the State and those municipalities that expect~~
5 ~~to receive reimbursement at 90% during the current fiscal year of the State must~~
6 ~~submit monthly reports on forms provided by the department.~~

7 ~~B. Those municipalities that did not receive reimbursement at 90% during the~~
8 ~~previous fiscal year and do not expect to receive reimbursement at 90% for the~~
9 ~~current fiscal year must submit quarterly or semiannual reports on forms provided by~~
10 ~~the department.~~

11 ~~Indian tribes must submit monthly reports on forms provided by the department.~~

12 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,
13 chapter 375, subchapter 2-A.

14 **3. Claims.** The Department of Health and Human Services may refuse to accept and
15 pay any claim for reimbursement that is not submitted by a municipality to the
16 department within 90 days of the payment on which that claim is based or at the end of
17 the reporting period for which reimbursement is sought unless just cause exists for failure
18 to file a timely claim.

19 **PART VVVV**

20 **Sec. VVVV-1. 36 MRSA §2551, sub-§1-I** is enacted to read:

21 **1-I. Business.** "Business" means a commercial activity engaged in as a means of
22 livelihood or profit or an entity that engages in such activities.

23 **Sec. VVVV-2. 36 MRSA §2551, sub-§2,** as amended by PL 2005, c. 12, Pt.
24 TTT, §2 and affected by §4, is further amended to read:

25 **2. Cable and satellite television or radio services.** ~~"Extended cable~~ Cable and
26 satellite television or radio services" means all cable and satellite television ~~service that is~~
27 ~~in addition to the minimum service that can be purchased from a cable or satellite~~
28 ~~television supplier or radio services,~~ including the installation or use of associated
29 equipment, for which a charge is made. ~~It does not include installation of the associated~~
30 ~~equipment for which a separate charge is levied.~~

31 **Sec. VVVV-3. 36 MRSA §2552, sub-§1,** as amended by PL 2013, c. 331, Pt. C,
32 §14 and c. 368, Pt. OOOO, §§2 to 4, is further amended to read:

33 **1. Rate.** ~~A~~ Effective January 1, 2016, a tax at the rate of ~~5%~~ 6% is imposed on the
34 value of the following services sold in this State:

35 A. ~~Extended cable~~ Cable and satellite television or radio services;

36 B. Fabrication services;

37 C. Rental of video media and video equipment;

38 D. Rental of furniture, audio media and audio equipment pursuant to a rental-
39 purchase agreement as defined in Title 9-A, section 11-105;

- 1 E. Telecommunications services;
- 2 F. The installation, maintenance or repair of telecommunications equipment;
- 3 G. Private nonmedical institution or personal home care services;
- 4 H. Community support services for persons with mental health diagnoses;
- 5 I. Community support services for persons with intellectual disabilities or autism;
- 6 J. Home support services;
- 7 L. Ancillary services; and
- 8 M. Group residential services for persons with brain injuries.

9 **Sec. VVVV-4. 36 MRSA §2557, sub-§33**, as amended by PL 2009, c. 434, §32,
10 is further amended to read:

11 **33. International telecommunications service.** Sales of international
12 telecommunications service to a business for use directly in that business;

13 **Sec. VVVV-5. 36 MRSA §2557, sub-§34**, as amended by PL 2009, c. 434, §33,
14 is further amended to read:

15 **34. Interstate telecommunications service.** Sales of interstate telecommunications
16 service to a business for use directly in that business;

17 **Sec. VVVV-6. 36 MRSA §2557, sub-§35**, as enacted by PL 2009, c. 434, §34,
18 is amended to read:

19 **35. Certain fabrication services.** The production of tangible personal property if a
20 sale to the consumer of that tangible personal property would be exempt or otherwise not
21 subject to tax under Part 3; ~~and~~

22 **Sec. VVVV-7. 36 MRSA §2557, sub-§36**, as enacted by PL 2009, c. 434, §35,
23 is amended to read:

24 **36. Fuel used at a manufacturing facility.** Ninety-five percent of the sale price of
25 fabrication services for the production of fuel for use at a manufacturing facility as
26 defined in section 1752, subsection 6-A;

27 **Sec. VVVV-8. 36 MRSA §2557, sub-§§37 and 38** are enacted to read:

28 **37. Certain veterans' support organizations.** Sales to incorporated nonprofit
29 organizations organized for the purpose of providing direct supportive services in the
30 State to veterans and their families living with service-related post-traumatic stress
31 disorder or traumatic brain injury; and

32 **38. Nonprofit library collaboratives.** Sales to nonprofit collaboratives of
33 academic, public, school and special libraries that provide support for library resource
34 sharing, promote quality library information services and support the cultural, educational
35 and economic development of the State.

36 **Sec. VVVV-9. Effective date.** This Part takes effect January 1, 2016, except that
37 the section that enacts the Maine Revised Statutes, Title 36, section 2557, subsections 37
38 and 38 takes effect October 1, 2015.

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PART WWWW

Sec. WWWW-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Homestead Property Tax Exemption Reimbursement 0886

Initiative: Provides funding to increase the resident homestead property tax exemption by \$5,000 in property tax year 2016 and by \$10,000 beginning in property tax year 2017.

GENERAL FUND	2015-16	2016-17
All Other	\$0	\$10,338,750
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$10,338,750</u>

Revenue Services, Bureau of 0002

Initiative: Establishes 2 Tax Examiner positions beginning January 2017 to assist in the implementation of tax changes and provides funding for associated All Other costs. All Other costs include funding for outreach efforts to publicize the new Sales Tax Fairness Credit and other tax changes.

GENERAL FUND	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0.000	2.000
Personal Services	\$0	\$64,412
All Other	\$0	\$233,894
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$298,306</u>

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS

	2015-16	2016-17
GENERAL FUND	\$0	\$10,637,056
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$10,637,056</u>

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Office of Tourism 0577

Initiative: Allocates funds to reflect the additional revenue due to the increase in the meals and lodging tax rate.

1	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
2	All Other	\$0	\$1,866,521
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$1,866,521</u>

5	ECONOMIC AND COMMUNITY		
6	DEVELOPMENT, DEPARTMENT OF		
7	DEPARTMENT TOTALS	2015-16	2016-17
8			
9	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,866,521
10			
11	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$1,866,521</u>

12 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)**

13 **Developmental Services Waiver - MaineCare 0987**

14 Initiative: Provides funding to reduce the waiting list for community-based services
 15 provided under the MaineCare Benefits Manual, Chapters II and III, Section 21: Home
 16 and Community Benefits for Members with Intellectual Disabilities or Autistic Disorder.

17	GENERAL FUND	2015-16	2016-17
18	All Other	\$2,323,614	\$2,327,665
19			
20	GENERAL FUND TOTAL	<u>\$2,323,614</u>	<u>\$2,327,665</u>

21 **Medicaid Services - Developmental Services 0705**

22 Initiative: Provides funding to reduce the waiting list for community-based services
 23 provided under the MaineCare Benefits Manual, Chapters II and III, Section 21: Home
 24 and Community Benefits for Members with Intellectual Disabilities or Autistic Disorder.

25	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
26	All Other	\$357,150	\$359,986
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$357,150</u>	<u>\$359,986</u>

29 **Medicaid Services - Developmental Services 0705**

30 Initiative: Provides funding to reduce the waiting list for community-based services
 31 provided under the MaineCare Benefits Manual, Chapters II and III, Section 18: Home
 32 and Community-Based Services for Adults with Brain Injury.

1	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
2	All Other	\$115,278	\$115,991
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$115,278</u>	<u>\$115,991</u>

5 **Medicaid Waiver for Brain Injury Residential /Community Serv Z160**

6 Initiative: Provides funding to eliminate the waiting list for community-based services
 7 provided under the MaineCare Benefits Manual, Chapters II and III, Section 18: Home
 8 and Community-Based Services for Adults with Brain Injury.

9	GENERAL FUND	2015-16	2016-17
10	All Other	\$750,000	\$750,000
11			
12	GENERAL FUND TOTAL	<u>\$750,000</u>	<u>\$750,000</u>

13 **HEALTH AND HUMAN SERVICES,**
 14 **DEPARTMENT OF (FORMERLY BDS)**
 15 **DEPARTMENT TOTALS**

16		2015-16	2016-17
17	GENERAL FUND	\$3,073,614	\$3,077,665
18	OTHER SPECIAL REVENUE FUNDS	\$472,428	\$475,977
19			
20	DEPARTMENT TOTAL - ALL FUNDS	<u>\$3,546,042</u>	<u>\$3,553,642</u>

21 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

22 **Medical Care - Payments to Providers 0147**

23 Initiative: Provides funding to reduce the waiting list for community-based services
 24 provided under the MaineCare Benefits Manual, Chapters II and III, Section 21: Home
 25 and Community Benefits for Members with Intellectual Disabilities or Autistic Disorder.

26	FEDERAL EXPENDITURES FUND	2015-16	2016-17
27	All Other	\$4,462,233	\$4,512,064
28			
29	FEDERAL EXPENDITURES FUND TOTAL	<u>\$4,462,233</u>	<u>\$4,512,064</u>

30 **Medical Care - Payments to Providers 0147**

31 Initiative: Provides funding to eliminate the waiting list for community-based services
 32 provided under the MaineCare Benefits Manual, Chapters II and III, Section 18: Home
 33 and Community-Based Services for Adults with Brain Injury.

1	FEDERAL EXPENDITURES FUND	2015-16	2016-17
2	All Other	\$1,440,286	\$1,453,837
3			
4	FEDERAL EXPENDITURES FUND TOTAL	<u>\$1,440,286</u>	<u>\$1,453,837</u>

5 **Medical Care - Payments to Providers 0147**

6 Initiative: Provides additional funding to increase the reimbursement increase provided in
 7 Part A for adult family care services at residential care facilities from 3% to 4%
 8 beginning July 1, 2015.

9	GENERAL FUND	2015-16	2016-17
10	All Other	\$20,747	\$20,747
11			
12	GENERAL FUND TOTAL	<u>\$20,747</u>	<u>\$20,747</u>

13	FEDERAL EXPENDITURES FUND	2015-16	2016-17
14	All Other	\$27,331	\$27,331
15			
16	FEDERAL EXPENDITURES FUND TOTAL	<u>\$27,331</u>	<u>\$27,331</u>

17 **Medical Care - Payments to Providers 0147**

18 Initiative: Provides additional funding to increase the reimbursement increase provided in
 19 Part A for private non-medical institutions from 3% to 4% beginning July 1, 2015.

20	GENERAL FUND	2015-16	2016-17
21	All Other	\$905,639	\$901,588
22			
23	GENERAL FUND TOTAL	<u>\$905,639</u>	<u>\$901,588</u>

24	FEDERAL EXPENDITURES FUND	2015-16	2016-17
25	All Other	\$1,296,283	\$1,300,334
26			
27	FEDERAL EXPENDITURES FUND TOTAL	<u>\$1,296,283</u>	<u>\$1,300,334</u>

28 **Nursing Facilities 0148**

29 Initiative: Provides additional funding for nursing home reimbursements.

1	GENERAL FUND	2015-16	2016-17
2	All Other	\$1,000,000	\$1,000,000
3			
4	GENERAL FUND TOTAL	<u>\$1,000,000</u>	<u>\$1,000,000</u>
5	FEDERAL EXPENDITURES FUND	2015-16	2016-17
6	All Other	\$1,981,288	\$2,000,319
7			
8	FEDERAL EXPENDITURES FUND TOTAL	<u>\$1,981,288</u>	<u>\$2,000,319</u>
9	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
10	All Other	\$190,295	\$191,510
11			
12	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$190,295</u>	<u>\$191,510</u>
13	Temporary Assistance for Needy Families 0138		
14	Initiative: Provides funding to families with income less than 200% of the federal poverty		
15	guidelines by placing funds in family development accounts.		
16	FEDERAL BLOCK GRANT FUND	2015-16	2016-17
17	All Other	\$500,000	\$500,000
18			
19	FEDERAL BLOCK GRANT FUND TOTAL	<u>\$500,000</u>	<u>\$500,000</u>
20	Temporary Assistance for Needy Families 0138		
21	Initiative: Provides funding to increase the number of months eligible individuals may		
22	receive transitional transportation benefits from 12 months to 18 months.		
23	FEDERAL BLOCK GRANT FUND	2015-16	2016-17
24	All Other	\$775,878	\$775,878
25			
26	FEDERAL BLOCK GRANT FUND TOTAL	<u>\$775,878</u>	<u>\$775,878</u>
27	HEALTH AND HUMAN SERVICES,		
28	DEPARTMENT OF (FORMERLY DHS)		
29	DEPARTMENT TOTALS	2015-16	2016-17
30			
31	GENERAL FUND	\$1,926,386	\$1,922,335
32	FEDERAL EXPENDITURES FUND	\$9,207,421	\$9,293,885

1	OTHER SPECIAL REVENUE FUNDS	\$190,295	\$191,510
2	FEDERAL BLOCK GRANT FUND	\$1,275,878	\$1,275,878
3			
4	DEPARTMENT TOTAL - ALL FUNDS	<u>\$12,599,980</u>	<u>\$12,683,608</u>
5	SECTION TOTALS	2015-16	2016-17
6			
7	GENERAL FUND	\$5,000,000	\$15,637,056
8	FEDERAL EXPENDITURES FUND	\$9,207,421	\$9,293,885
9	OTHER SPECIAL REVENUE FUNDS	\$662,723	\$2,534,008
10	FEDERAL BLOCK GRANT FUND	\$1,275,878	\$1,275,878
11			
12	SECTION TOTAL - ALL FUNDS	<u>\$16,146,022</u>	<u>\$28,740,827</u>
13			

14 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
 15 or section number to read consecutively.

16 **SUMMARY**

17 This amendment removes the interfund advance of funds for one day at the end of
 18 fiscal year 2015-16.

19 This amendment strikes Part J of the committee amendment and instead indexes the
 20 Maine exclusion amount for decedents dying on or after January 1, 2016 to the federal
 21 exclusion amount. It also amends the section of the estate tax law that applies to the tax
 22 on resident estates to apply the tax rates to each \$3,000,000 increment above the yearly
 23 exclusion amount.

24 This amendment increases the homestead property tax exemption by \$5,000 to
 25 \$15,000 for property tax years beginning on April 1, 2016 and by \$10,000 to \$20,000 for
 26 property tax years beginning on or after April 1, 2017. This amendment also increases
 27 state reimbursement to 50% for the additional exemption amount for property tax years
 28 beginning April 1, 2016 and to 75% for property tax years beginning on or after April 1,
 29 2017.

30 This amendment provides that for fiscal years 2015-16, 2016-17, 2017-18 and 2018-
 31 19 the amount transferred for state-municipal revenue sharing is 2% of revenue from the
 32 income tax, the sales tax and a portion of the service provider tax.

33 This amendment makes the following changes to the individual income tax.

34 1. This amendment repeals the provision of law requiring the Department of
 35 Administrative and Financial Services, Maine Revenue Services to provide for the
 36 assignment of income tax refunds on income tax returns to the Maine College Savings
 37 Program administered by the Finance Authority of Maine.

38 2. This amendment reduces the individual income tax rates and establishes new tax
 39 bracket amounts for tax years beginning after 2015. The proposed rate structure for tax

1 years beginning after December 31, 2015 consists of 5.8%, 6.75% and 7.15% taxable
2 income brackets.

3 3. This amendment repeals the income subtraction modifications for long-term care
4 premiums paid and for contributions of up to \$250 per beneficiary to 529 college tuition
5 plans for tax years beginning on or after January 1, 2016.

6 4. This amendment eliminates the jobs and investment tax credit, the credit for
7 employer-assisted day care, the credit for employer-provided long-term care benefits, the
8 high-technology investment tax credit, the credit for dependent health benefits, the
9 quality child care investment credit and the credit for biofuel commercial production but
10 retains the carry-forward of unused credit amounts for tax years beginning after
11 December 31, 2015.

12 5. This amendment also eliminates the credit for contributions to family development
13 account reserve funds, the retirement and disability credit and the forest management
14 planning income tax credit and removes refundability of the Maine child care credit
15 refundable for nonresident taxpayers.

16 6. This amendment also amends the law governing the cost-of-living adjustment of
17 individual income tax rate brackets and the maximum itemized deduction amount and the
18 benefit base amounts in the sales tax fairness credits in order to reflect amendments to the
19 individual income tax rate schedules, enactment of the sales tax fairness credit and phase-
20 out of the standard and itemized deduction deductions for individuals with income
21 exceeding certain levels.

22 7. This amendment phases out the value of the standard deduction amount or
23 itemized deduction amount, whichever applies, for taxpayers whose Maine adjusted gross
24 income exceeds \$70,000 for single individuals and married persons filing separate
25 returns; \$105,000 for individuals filing as heads of households; and \$140,000 for
26 individuals filing married joint returns or as a surviving spouse.

27 8. This amendment provides an income tax exemption for all military retirement plan
28 benefits.

29 9. This amendment establishes, for tax years beginning after 2015, separate Maine
30 standard deduction amounts that previously were equal to the federal standard deduction
31 amounts.

32 10. This amendment repeals the exception to the itemized deductions limitation
33 applicable to charitable contributions that had applied to tax years beginning after
34 December 31, 2015.

35 11. This amendment enacts an income tax credit to provide sales tax relief for low-
36 income and middle-income families by providing a base credit that is based on the
37 number of persons claimed as dependents on an income tax return and phased out as
38 family income increases.

39 12. This amendment makes the earned income credit refundable for tax years
40 beginning on or after January 1, 2016.

41 This amendment provides that the sales tax rate on prepared food and liquor and
42 continues at 8%, that the sales tax on lodging continues at 8% until January 1, 2016,

1 when it increases to 9% and the sales tax rate on other tangible personal property and
2 taxable services continues at 5.5% after June 30, 2015. This amendment also expands the
3 list of food products that are not exempt as grocery staples and are thus subject to sales
4 tax. This Part also provides an exemption from sales tax for certain nonprofit library
5 collaboratives and veterans' support organizations.

6 This amendment makes the following changes to the laws governing public
7 assistance, which are intended to reward work performed by families receiving public
8 assistance.

- 9 1. Child care assistance begins on the date of application if the applicant is eligible.
- 10 2. It eliminates the "gross income test" for working TANF recipients.
- 11 3. It increases the number of months eligible individuals may receive transitional
12 transportation benefits from 12 months to 18 months.
- 13 4. It authorizes the Department of Health and Human Services, beginning in fiscal
14 year 2016-17, to use \$500,000 from the Temporary Assistance for Needy Families block
15 grant to promote financial literacy and healthy savings habits of families with income less
16 than 200% of the federal poverty guidelines by placing funds in family development
17 accounts.

18 This amendment changes the reimbursement rates paid by the State for municipal
19 general assistance to 70% of the direct costs incurred by a municipality or Indian tribe
20 beginning with costs incurred on or after July 1, 2015.

21 This amendment also removes the state reimbursement for administrative costs of a
22 municipality or Indian tribe and changes the reimbursement reporting to a monthly basis
23 for all municipalities and Indian tribes.

24 This amendment extends the service provider tax to basic cable and satellite
25 television and radio and interstate and international telecommunication services sold to a
26 business. It also enacts service provider tax exemptions for sales to certain nonprofit
27 library collaboratives and certain veterans' support organizations.

28 This amendment adds funding for:

- 29 1. The increase in the homestead property tax exemption amount;
- 30 2. The reduction of the waiting list for community-based services for MaineCare
31 members with intellectual disabilities or autistic disorder and adults with brain injury;
- 32 3. Nursing home reimbursements; and

33

