

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FOUR

—
S.P. 856 - L.D. 2028

An Act to Amend Certain State Tax Laws

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. 36 MRSA §6252-A, sub-§6, as enacted by PL 2023, c. 412, Pt. S, §9, is amended to read:

6. Restriction. A taxpayer who ~~owes delinquent taxes for~~ owns more than one residential property within the State subject to an existing municipal lien is not eligible to claim a deferral pursuant to this section.

PART B

Sec. B-1. 5 MRSA §13090-K, sub-§2, as amended by PL 2015, c. 267, Pt. OOOO, §1 and affected by §7, is repealed and the following enacted in its place:

2. Source of fund. On July 1st of each year, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 8% tax and 5% of the 9% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811 for the first 6 months of the immediately prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5 and the transfers to the sales tax funds pursuant to Title 36, section 1815. On October 1st of each year, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 8% tax and 5% of the 9% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811 for the last 6 months of the immediately prior fiscal year after the reduction for the transfer to the Local Government Fund and the transfers to the sales tax funds pursuant to Title 36, section 1815. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law. The amount transferred from General Fund sales and use tax revenues does not affect the calculation for the transfer to the Local Government Fund.

Sec. B-2. 23 MRSA §4210-B, sub-§7-A, as amended by PL 2023, c. 360, Pt. C, §1, is further amended to read:

7-A. Sales tax revenue. On July 1st of each year, the State Controller shall transfer to the Multimodal Transportation Fund an amount, as certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the tax imposed on the value of rental of a truck or van with a gross weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles and the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811 for the first 6 months of the immediately prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5, the transfers to the sales tax funds pursuant to Title 36, section 1815 and the transfer to the ATV Recreational Management Fund pursuant to Title 36, section 1820. On October 1st of each year, the State Controller shall transfer to the Multimodal Transportation Fund an amount, as certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the tax imposed on the value of rental of a truck or van with a gross weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles and the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811 for the last 6 months of the immediately prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5, the transfers to the sales tax funds pursuant to Title 36, section 1815 and the transfer to the ATV Recreational Management Fund pursuant to Title 36, section 1820. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law.

Sec. B-3. 36 MRSA §1820, first ¶, as amended by PL 2021, c. 630, Pt. D, §2, is repealed.

Sec. B-4. 36 MRSA §1820, 2nd ¶, as enacted by PL 2021, c. 630, Pt. D, §2, is amended to read:

~~Beginning July 1, 2023 and every~~ On July 1st thereafter of each year, the State Controller shall transfer to the ATV Recreational Management Fund established in Title 12, section 1893, subsection 2 an amount, as certified by the State Tax Assessor, that is equivalent to 90% of the revenue from the tax imposed under this Part on the rental of all-terrain vehicles, as defined in Title 12, section 13001, subsection 3, for the first 6 months of the immediately prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5 and the transfers to the sales tax funds pursuant to section 1815. ~~Beginning on October 1, 2023 and every~~ On October 1st ~~thereafter of each year~~, the State Controller shall transfer to the ATV Recreational Management Fund an amount, as certified by the State Tax Assessor, that is equivalent to 90% of the revenue from the tax imposed under this Part on the rental of all-terrain vehicles for the last 6 months of the immediately prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5 and the transfers to the sales tax funds pursuant to section 1815. The remaining 10% of the revenue from the tax imposed under this Part on the rental of all-terrain vehicles is transferred to the Multimodal Transportation Fund pursuant to Title 23, section 4210-B, subsection 7-A. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law.

Sec. B-5. 36 MRSA §4401, sub-§9, as amended by PL 2023, c. 441, Pt. E, §9 and affected by §28, is further amended to read:

9. Tobacco products. "Tobacco products" means any products that are made from or derived from tobacco, or that contain nicotine, whether natural or artificial, including, but not limited to, cigars, including premium cigars; cheroots; stogies; electronic smoking devices and liquids used in electronic smoking devices whether or not they contain nicotine; periques, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco; snuff; snuff flour; snus; cavendish; plug and twist tobacco; finecut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be intended for human consumption or as is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled or ingested by any other means.

PART C

Sec. C-1. 5 MRSA §13083-S-1, sub-§1, ¶D-1 is enacted to read:

D-1. "Benefit base" has the same meaning as in Title 36, section 6753, subsection 5-B.

Sec. C-2. 5 MRSA §13083-S-1, sub-§3, ¶D, as enacted by PL 2009, c. 641, §9, is amended to read:

D. State income tax withholding attributable to any qualified employee whose wages are included in computing the benefit base eligible for reimbursement to a Maine Employment Tax Increment Financing Program qualified business pursuant to Title 36, chapter 917 ~~or to a qualified pine tree development zone business under Title 30-A, chapter 206~~ is not eligible for use in the calculation of a payment to the fund under ~~subsections 4 and subsection 5~~. State income tax withholding under ~~Title 36, chapter 919,~~ or any other tax credit or reimbursement program based on state income tax withholding, is not eligible for use in calculation of a payment to the fund under ~~subsections 4 and subsection 5~~.

Sec. C-3. 5 MRSA §13083-S-1, sub-§5, as amended by PL 2019, c. 659, Pt. E, §2, is further amended to read:

5. Procedure for payment of revenue to the fund. On or before July 15th of each year, the assessor shall review the information required by subsection 4 and calculate the job tax increment for the preceding calendar year. The assessor shall also calculate the ~~employment tax increment~~ amount of the benefit base in the base area eligible for reimbursement to qualified Maine Employment Tax Increment Financing Program businesses pursuant to Title 36, chapter 917. Between July 1st and July 15th of each year, the assessor shall certify to the State Controller the total remaining job tax increment as a result of the limitation in subsection 3, paragraph D and the remaining benefit base after reimbursements have been made to qualified Maine Employment Tax Increment Financing Program businesses pursuant to Title 36, chapter 917. On or before July 31st of each year, the State Controller shall transfer 50% of the remaining job tax increment and 50% of the remaining benefit base to the state job tax increment contingent account established, maintained and administered by the State Controller from General Fund undedicated revenue within the withholding tax category. On or before July 31st of each year, the State Controller shall deposit this revenue into the fund and distribute the payments pursuant to subsection 3.

PART D

Sec. D-1. 36 MRSA §194-D, sub-§2, as amended by PL 2019, c. 607, Pt. D, §4, is further amended to read:

2. Background investigation requirements. The assessor shall perform background investigations for affected persons in accordance with this subsection.

A. As part of the process of evaluating an affected person, except for a current employee of the bureau, for employment with the bureau, a background investigation must be conducted before an offer of employment is extended.

B. A background investigation for an affected person assigned to provide services to the bureau under an identified contract must be conducted before that affected person begins providing services to the bureau, and at least once every ~~10~~ 5 years, as long as the affected person continues providing services to the bureau.

C. As part of the process of evaluating an affected person for continued employment with the bureau, a background investigation must be conducted at least once every ~~10~~ 5 years. ~~If an affected person has not been subject to a background investigation within 10 years prior to the effective date of this section, a background investigation must be conducted within one year of the effective date of this section.~~

D. A background investigation for an employee or contractor of another state agency must be conducted before that affected person is provided access, or the substantial possibility of access, to federal tax information obtained from the bureau, and at least once every ~~10~~ 5 years, as long as the affected person continues to have such access. However, if the assessor determines that the affected person has been subject to a background investigation that satisfies the background investigation standards established by the United States Internal Revenue Service regarding access to federal tax information within the past ~~10~~ 5 years, no further investigation is required under this subsection for the ~~10-year~~ 5-year period commencing at the time of the background investigation.

The background investigation must include fingerprinting and obtaining national criminal history record information from the Federal Bureau of Investigation and must satisfy the background investigation standards established by the United States Internal Revenue Service regarding access to federal tax information.

Sec. D-2. Application of 5-year background investigation period. A person who is subject to the Maine Revised Statutes, Title 36, section 194-D, subsection 2, paragraph C as an employee of the Department of Administrative and Financial Services, Bureau of Revenue Services for whom a background investigation has not been conducted within the 5 years prior to the effective date of this Part shall submit to a background investigation as required by Title 36, section 194-D, subsection 2 by September 1, 2025.