

**TESTIMONY OF
PETER W. LACY, STAFF ATTORNEY FOR THE OFFICE OF TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *February 8, 2024*

LD 2023 – “*An Act to Make Technical Changes to Maine’s Tax Laws*”

Senator Grohoski, Representative Perry, and members of the Taxation Committee – good morning, my name is Peter Lacy, Staff Attorney for the Office of Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration in Support of LD 2023 – “*An Act To Make Technical Changes to Maine’s Tax Laws.*”

This bill was drafted and submitted by the Department of Administrative and Financial Services, Maine Revenue Services. Each year, Maine Revenue Services and Office of Tax Policy prepare one or more bills that proposes changes to various existing provisions of Maine law; primarily to Title 36. The purpose of this particular bill is to make certain technical improvements and clarifications in Maine’s tax law consistent with current tax administration.

The Department has also submitted another bill: LD 2028 - “*An Act to Amend Certain State Tax Laws.*” These bills differ only in the nature of the Department’s recommendations. While LD 2028, the “*Act to Amend,*” contains substantive changes, this bill contains technical, non-substantive amendments to Maine’s tax laws. Because the changes in this bill are only technical, there is no fiscal impact and no impact on baseline revenue forecasts from the Revenue Forecasting Committee.

The changes in this bill are designed to improve the clarity and administration of the current law. This includes changes to clarify statutory language consistent with ongoing administrative practice, updating certain

outdated terms referencing municipalities and municipal officers, removing and replacing gendered language, improving and updating syntax and grammar, harmonizing certain changes made by the Legislature last session, and making other technical and grammatical changes to improve existing statutory language.

You should also have a chart we have prepared that breaks down each provision of the bill, including the proposed amendment, and matches it with the corresponding paragraph from the bill's summary section. This side-by-side chart provides a brief explanation of each provision of the bill.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions. I can briefly go through the side-by-side chart now, take questions on selected provisions, or wait to address any questions you might have at the Work Session.

Office of Tax Policy
 131st, 2nd Session, Presentation Chart for
 LD 2023 – “An Act to Make Technical Changes to Maine’s Tax Laws”

<i>Statutory Reference</i>	<i>Summary</i>
Property Tax	
Sec. A-1. 36 M.R.S.A. § 251	Amends statute to refer to “municipalities” instead of “towns,” removes gendered language, and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-2. 36 M.R.S.A. § 252	Removes gendered language and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-3. 36 M.R.S.A. § 253	Removes gendered language and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-4. 36 M.R.S.A. § 382	Amends statute to refer to “municipalities” instead of “towns,” removes gendered language, and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-5. 36 M.R.S.A. § 383, sub-§ 1	Amends statute to refer to “municipalities” instead of “towns,” and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-6. 36 M.R.S.A. § 611	Amends statute to refer to “municipalities” instead of “towns,” and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-7. 36 M.R.S.A. § 943, 9th ¶	Amends statute to refer to “municipalities” instead of “towns,” and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-8. 36 M.R.S.A. § 943-C, sub-§ 2	Removes references to an application and instructions in the law governing the sale of tax-acquired properties. The references are obsolete following legislative changes made to the process last session.
Sec. A-9. 36 M.R.S.A. § 946, 3rd ¶	Amends statute to refer to “municipalities” instead of “towns,” and updates and clarifies other language consistent with current statutory drafting standards.

Office of Tax Policy
 131st, 2nd Session, Presentation Chart for
 LD 2023 – “An Act to Make Technical Changes to Maine’s Tax Laws”

Sec. A-10. 36 M.R.S.A. § 1109, sub-§ 1	Amends statute to refer to “municipalities” instead of “towns.”
Sec. A-11. 36 M.R.S.A. § 1109, sub-§ 3, ¶F	Amends statute to refer to “municipalities” instead of “towns.”
Sec. A-12. 36 M.R.S.A. § 1137, sub-§ 2	Amends statute to refer to “municipalities” instead of “towns.”
Sec. A-13. 36 M.R.S.A. § 1284	Amends statute to refer to “municipalities” instead of “towns,” and updates and clarifies other language consistent with current statutory drafting standards.
Sec. A-14. 36 M.R.S.A. § 6251, sub-§ 1, ¶ B	Harmonizes dual amendments to the same provision of the State Property Tax Deferral Program passed by the Legislature last session by combining the changes and updating and clarifying the language consistent with both amendments and current statutory drafting standards.
Sec. A-15. 36 M.R.S.A. § 6251, sub-§ 1, ¶ C	Harmonizes dual amendments to the same provision of the State Property Tax Deferral Program passed by the Legislature last session by combining the changes and updating and clarifying the language consistent with both amendments and current statutory drafting standards.
Sec. A-16. 36 M.R.S.A. § 6252, sub-§ 5	Amends statute to clarify certain language passed by the Legislature last session in the State Property Tax Deferral Program to reflect timing of the application process.
Income Tax	
Sec. B-1. 36 M.R.S.A. § 5122, sub-§ 2, ¶ M-2	Updates statute to include the United States Space Force when referencing military or United States Armed Forces.
Sec. B-2. 36 M.R.S.A. § 5122, sub-§ 2, ¶ HH	Updates statute to include the United States Space Force when referencing military or United States Armed Forces.

Office of Tax Policy
 131st, 2nd Session, Presentation Chart for
 LD 2023 – “An Act to Make Technical Changes to Maine’s Tax Laws”

Sec. B-3. 36 M.R.S.A. § 5122, sub-§ 2, ¶ LL	Updates statute to include the United States Space Force when referencing military or United States Armed Forces.
Sec. B-4. 36 M.R.S.A. § 5219-KK, sub-§ 1, ¶ A-1	Corrects a cross-reference in the law regarding the maximum benefit base for the Property Tax Fairness Credit.
Sec. B-5. 36 M.R.S.A. § 5228, sub-§ 7	Clarifies that payment of taxes for a short taxable year must be made in accordance with existing due dates for estimated tax installments.
Sec. B-6. 36 M.R.S.A. § 5242	Updates references to “filing” consistent with state statute and rules.
Sales Tax	
None.	
Amendments	
None.	