

Shaded LDs have been voted on by the
Committee

WS 5/4/2023pm

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

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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY24	FY25
849	1783	4/18	5/4	Terry	An Act to Implement the Recommendations of the Working Group to Review the Process for Ongoing Review of Tax Expenditures by the Legislature	<p>This bill implements the recommendations of the Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature established in 2021.</p> <p>It is identical to LD 2009 submitted by Sen. Chipman in the Second Regular Session of the 130th Legislature which died at the end of session on the Appropriations Table</p> <p><u>The bill:</u></p> <ol style="list-style-type: none"> Beginning with the 132nd Legislature, <u>changes the membership of the GOC</u> by requiring that the membership of that committee <u>must include</u> <ol style="list-style-type: none"> at least 2 members who are members TAX and at least one member who is a member IDEAB <u>Authorizes TAX to meet throughout the year as determined to be necessary by the chairs to perform tax expenditure review functions;</u> Changes the process for expedited review of tax expenditures by repealing requirements that the information be provided to TAX by OPEGA and by expanding the information required to be reported by the MRS (red book) to facilitate review by TAX; 			

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

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						<p>4. <u>Prioritizes full review of business incentive tax expenditures over tax expenditures directed primarily toward individual tax relief;</u></p> <p>5. <u>Requires that the schedule for review of full review tax expenditures take into consideration any statutory expiration dates;</u></p> <p>6. <u>Establishes a procedure for review of current statutes containing full review tax expenditures to identify and address the need for statutory changes to improve the ability to analyze and evaluate those provisions;</u></p> <p>7. <u>Establishes a procedure for review by TAX of legislation under consideration that would enact a full review tax expenditure. The review is for the purposes of identifying and recommending provisions to facilitate tax expenditure review;</u></p> <p>8. <u>Establishes a process for TAX to request 2 limited analysis projects per year to be completed by OPEGA for the purpose of assisting consideration of legislation before the committee; and</u></p> <p>9. <u>Directs OPEGA and the Office of Fiscal and Program Review OFPR to assess and report to the Legislative Council regarding the need for additional staff to perform the additional functions contained in the bill.</u></p> <p>Letter from GOC chairs (5/3/23) supports bill but recommends changes in the recommendation regarding additional membership requirements</p> <p>MRS has technical and substantive issues.</p>			

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1060	132	3/30	4/6 4/19 5/4	Jackson	An Act to Support Municipal Public Safety by Increasing State-Municipal Revenue Sharing to 7 Percent	<p>This bill</p> <ol style="list-style-type: none"> 1. <u>increases the percentage of state-municipal revenue sharing from 5% to 7% of Income Tax, Sales Tax and a portion of Service Provider Tax, and</u> 2. <u>requires the additional funds to be used by municipalities for the employment, training and provision of emergency fire and medical services and law enforcement.</u> <p>Not clear who would be responsible for determining whether municipalities were using funds for designated purposes.</p> <p>4/19 tabled for sponsor to work on amendment</p>	4/6 not taken up 4/19 Tabled	MRS estimate Revenue loss to State (annual) \$100 million	
1184	312	4/26	5/4	Jackson	An Act to Exempt Certain Prescribed Home Medical Supplies from Sales Tax	<p>Current law: STE for <u>prosthetic and orthotic devices</u> prescribed by health care practitioner; <u>crutches and wheel chairs for sick, injured or disabled persons.</u></p> <p>This bill provides a <u>sales tax exemption for medical equipment and supplies prescribed by a health care provider for medical purposes when payment is made by an insurance company or Medicare/Medicaid.</u></p>			
1212	1389	4/26	5/4	Baldacci	Resolve, to Study the Economic Effects of Instituting a Seasonal Sales Tax	<p>This resolve requires MRS to conduct a <u>study on the effects of a seasonal sales tax</u> including</p> <ol style="list-style-type: none"> 1. Revenue impact 2. Effect on economy 3. Investigate other states with seasonal tax 4. <u>Submit report to the Legislature by 12/6/23</u> <p><u>MRS suggests should study should be done by DAFS or OTP rather than MRS and has other concerns.</u></p>			

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1355	548	4/11	4/19 5/4	Riseman	An Act to Establish a Behavioral Health Employment Income Tax Credit for Student Loan Payments	<p>This bill <u>amends the student loan repayment tax credit for behavioral health clinicians to:</u></p> <ol style="list-style-type: none"> <u>double the maximum annual tax credit</u> from \$2,500 per year to \$5,000 per year and <u>double the lifetime cap</u> from \$25,000 to \$50,000. <p>To be eligible for the increased credit, the bill requires that a <u>behavioral health clinician must be</u></p> <ol style="list-style-type: none"> <u>licensed to practice in a clinical capacity</u> in an agency licensed by the State to provide <u>mental health or substance use disorder treatment services</u> and Sponsor in PH testimony indicated that this provision was included by mistake and should be stricken (p 2, lines7-10) be engaged in that employment <u>for at least 5 years.</u> <p>MRS has significant technical concerns that would need to be addressed for bill to be implemented.</p>	4/19/2023 not taken up	<p>MRS estimates</p> <p>Admin costs: Under consideration</p> <p>Revenue loss (annual): Less than \$1 million</p>	
1493	1111	4/26	5/4	LaRochelle	An Act to Increase Affordable Housing by Expanding Tax Increment Financing	<p>This bill authorizes the creation of Pine Tree Housing Zones to <u>allow retained value resulting from a TIF district in a municipality to be used anywhere in the municipality for the purposes of the purchase, rehabilitation or establishment of affordable and workforce housing in the municipality.</u></p> <p>The bill <u>provides for a sales tax exemption or reimbursement for the associated purchasing of tangible personal property and electricity T&D for use directly and primarily by a qualified project in a Pine Tree Housing Zone.</u></p> <p>DECD directed to adopt rules specifying many details for the process.</p> <p>Maine Revenue Services has technical concerns.</p>			