

Shaded LDs have been voted on by the
Committee

WS 5/10/2023

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
1303	1884	4/11	4/19 5/2 5/10	Faulkingham	An Act to Exempt Boats and All-terrain Vehicles Purchased for Qualified Commercial Fishing or Commercial Farming from State Sales Tax	<p>Current law: 36 MRSA §2013 currently provides a <u>refund of sales tax</u> or certification to <u>purchase depreciable machinery and equipment without paying sales tax</u> for persons <u>engaged in commercial agricultural production, commercial fishing, commercial aquaculture, or commercial wood harvesting if the machinery and equipment will be used directly and primarily for those purposes.</u></p> <p>Current law specifically excludes motor vehicles (including ATVs) and trailers.</p> <p>This bill provides a sales tax exemption for sales to a qualified purchaser of:</p> <ol style="list-style-type: none"> <u>boats and all-terrain vehicles used directly and exclusively in commercial fishing or commercial agricultural production.</u> The bill defines "qualified purchaser" to mean a <u>purchaser who, under current law, has obtained a certificate from the State Tax Assessor stating that the purchaser is engaged in commercial fishing or commercial agricultural production.</u> It also requires the seller to obtain from the <u>purchaser an affidavit as prescribed by the assessor attesting to the qualification of the purchase for exemption.</u> <p><u>MRS concerned about overlaps and inconsistencies between current law and the bill.</u></p>	4/19 Tabled 5/2 tabled		

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><u>MRS suggested amendment to current law exclusion of motor vehicles from definition of “depreciable machinery and equipment” to provide that ATVs are not excluded.</u></p> <p>4/19 Tabled for group to work on amendment Discussion of using term “universal vehicle: instead of ATV.</p> <p><u>MRS suggestion of definition of “universal vehicle” as “a self-propelled vehicle designed with a bed, principally for the purpose of transporting material or cargo in connection with construction, agricultural, forestry, grounds maintenance, lawn and garden, materials handling or similar activities. The vehicle has an attainable speed in one mile on a paved level surface of more than twenty miles per hour but not more than 25 miles per hour. A utility vehicle does not include an ATV.”</u></p>			
1381	697	4/26	5/10	Guerin	An Act to Create Fairness in Maine's Motor Vehicle Excise Tax by Basing the Tax on the Sale Price	<p>Current law: <u>Motor vehicle excise tax is generally based upon the maker's list price for the motor vehicle with the exception that the excise tax on certain commercial motor vehicles, buses and special mobile equipment is based on the purchase price.</u> <u>State reimburses municipalities for difference between excise tax based on maker’s list price and fair market value.</u></p> <p>This bill requires that <u>the excise tax for all motor vehicles, special mobile equipment and camper trailers be based upon the purchase price of the vehicle, equipment or trailer.</u></p> <p><u>The State would be required to reimburse a municipality for the difference in the amount of excise tax that would have been collected by the municipality using the manufacturer's suggested retail price instead</u></p>			

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						<p>of the actual purchase price. This bill applies that requirement to all vehicles registered and taxed by the municipality using the actual purchase price.</p> <p><u>MRS identifies “need for clarity” provisions</u></p>			
1445	1893	4/26	5/10	Faulkingham	An Act to Enact a Seasonal Sales Tax to Provide Income Tax Relief to Maine Residents	<p>This bill makes the following changes to the sales tax laws.</p> <ol style="list-style-type: none"> 1. It enacts an <u>additional seasonal sales tax of 2%, imposed annually between Memorial Day and Indigenous Peoples Day beginning in 2024. The tax is imposed only on those items or services that are subject to the current 5.5% sales tax.</u> 2. <u>Revenue from the seasonal sales tax is deposited, without any subtractions, into the new Maine Residents Income Tax Relief Fund. The purpose of the fund is to increase the personal exemption.</u> If the change would increase the personal exemption beyond the amount of the personal exemption under federal law, then the joint standing committee having jurisdiction over taxation matters may report out legislation that uses the funds to reduce the income tax by other means. 3. It <u>amends the refundable sales tax fairness credit to increase the maximum credit from \$225 to \$300 and increase the income levels at which the credit is phased out, beginning in 2024.</u> 		<p>MRS estimates</p> <p>Still under review 4/26</p> <p>Admin costs likely to be significant</p>	

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1475	1929	4/18	5/10	Jackson	An Act to Promote Biomanufacturing and Biotechnology Development by Establishing a Tax Credit	<p>This bill establishes a refundable Maine income tax credit for investment in <u>biotechnology incubators and biomanufacturing facilities</u>.</p> <p>The <u>amount of the credit</u> is 30% of qualified investment, taken in the form of an annual credit of 6% of the qualified investment each year for 5 years after a certificate of completion has been issued by the Commissioner of Economic and Community Development.</p> <p>The <u>amount of investment in a biotechnology incubator</u> that is eligible for a credit is capped at \$15 million for each project and \$30 million for all projects in total.</p> <p>The <u>amount of investment in a biomanufacturing facility</u> that is eligible for a credit is capped at \$15 million for each project and \$30 million for all projects in total.</p> <p>The bill also provides for situations in which the facilities are no longer being primarily used for the purposes of biotechnology incubation or biomanufacturing.</p> <p><u>Sponsor is proposing eliminating the proposed tax credit and substituting a grant program for the same purposes administered by Maine Technology Institute.</u></p>			
1486	1802	4/26	5/10	Stewart	An Act to Exempt Tractor Trailer Trucks from the Excise Tax	<p>This bill <u>exempts trucks and truck tractors registered for more than 26,000 pounds from the motor vehicle excise tax</u>.</p> <p>If reimbursement to municipalities is required, Secretary of State will need funds for administration and reimbursement.</p>			

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1504	2190	4/26	5/10	Terry	An Act to Exempt Broadband Equipment from the Sales and Use Tax	<p>This bill provides a <u>sales tax exemption for sales of machinery and equipment used to provide broadband communications service to a broadband communications service provider.</u></p> <p><u>MRS has technical concerns; need for language clarification.</u></p>			
1524	1261	4/26	5/10	Sampson	An Act to Eliminate the Excise Tax on Recreational Vehicles and Permit Municipal Adoption of Fees to Cover the Cost of Municipal Services to Campgrounds and Recreational Vehicle Parks	<p>This bill</p> <ol style="list-style-type: none"> 1. <u>provides an exemption from the motor vehicle excise tax for recreational vehicles that have electrical systems of at least 30 amps, water storage and graywater and blackwater holding tanks and</u> 2. <u>Permits municipalities to impose fees on exempt recreational vehicles and campgrounds or parks that host those recreational vehicles.</u> The fees must be calculated to produce annual revenues that would offset the revenue lost by the municipality due to the excise tax exemption. 3 <u>Authorizes municipalities to impose a fee on campgrounds for permission to construct or to lease land to another person or entity to use docks, floats, piers, boat lifts and riprap that occupy space that is within 100 feet from the shoreline of a great pond.</u> 			

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