

# TAX COs 9/15/2023

ABBREVIATIONS

COR  
CO-T

Carry over requested by TAX  
Carried over in TAX

| LD  | LR   | PH   | WS | SPONSOR | TITLE  | SUMMARY<br>(Summaries may not reflect content of most recent committee action)  | COMM ACTION | FINAL ACTION | FISCAL IMPACT <sup>1</sup> |      |
|-----|------|------|----|---------|--|---|-------------|--------------|----------------------------|------|
|     |      |      |    |         |  |   |             |              | FY24                       | FY25 |
| 191 | 289  | 2/14 |    | Stewart | An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits | <p>This bill <u>excludes from eligibility for the BETE and BETR a person that, based on 3rd-party certifications, bans, boycotts or otherwise restricts or prevents the sale or distribution of any product that is legally produced, harvested or grown in the Maine.</u></p> <p><u>Current law:</u><br/><u>BETR:</u></p> <ol style="list-style-type: none"> <li>1. Eligible business property 1<sup>st</sup> placed in service after 4/1/95 and on or before 4/1/05.</li> <li>2. Certain retail sales facility property placed in service after 4/1/95</li> </ol> <p><u>BETE:</u></p> <ol style="list-style-type: none"> <li>1. Eligible property 1<sup>st</sup> placed in service on or after 4/1/05</li> </ol> <p><u>MRS has administrative and Constitutional concerns.</u></p> <ol style="list-style-type: none"> <li>1. “3<sup>rd</sup> party certification” needs to be clarified.</li> <li>2. Constitutional “Commerce Clause” concerns</li> </ol> | COR         | CO-T         |                            |      |
| 457 | 2184 |      |    | Chipman | An Act to Amend Maine’s Tax Laws   | This bill is a concept draft pursuant to Joint Rule 208.  |             | CO-T         |                            |      |

<sup>1</sup> . 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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|     |      |      |             |         |   |   |   |              | FY24  | FY25 |
|     |      |      |             |         |   | This bill would amend Maine's tax laws.   | COR   |              |   |      |
| 499 | 1756 |      |             | Chipman | An Act to Amend Maine's Tax Laws  | This bill is a concept draft pursuant to Joint Rule 208.<br><br>This bill would amend Maine's tax laws.   | COR   | CO-T         |   |      |
| 633 | 445  |      |             | Madigan | An Act to Dedicate Revenue from Alcohol Tax to Alcohol Use Disorder Treatment                         | This bill is a concept draft pursuant to Joint Rule 208.<br><br>This bill would dedicate a portion of the revenue from the taxes imposed on alcohol to funding for alcohol use disorder treatment programs.   | COR   | CO-T         |   |      |
| 643 | 1665 | 3/28 | 4/6<br>4/19 | Terry   | An Act to Promote Research and Development in the State by Increasing the Research Expense Tax Credit | This bill <u>increases the research expense tax credit</u> by: <ol style="list-style-type: none"> <li><u>increasing the amount of expenditures eligible for the credit,</u></li> <li><u>doubling the rate by which the credit is calculated from 5% to 10% of the excess of qualified research expenses over the base amount and from 7.5% to 15% of the base research payments under the IRC ,</u></li> <li><u>doubling the maximum amount of the credit that may be claimed from 100% of the corporation's first \$25,000 tax due to the first \$50,000 of tax due and 75% of the amount over \$50,000 and</u></li> <li><u>halving the base amount used to determine the credit from 100% to 50% of the average amount per year spent by the</u></li> </ol> | 4/6 not taken up<br><br>4/19/2023 tabled<br><br>COR | CO-T         | MRS estimates<br><br>Admin costs: Marginal, absorbed<br><br>Revenue loss(annual) \$7.5 million<br><br>"Red book" estimate of revenue loss of current credit:<br>FY 25 \$3,240,000 |      |

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|      |      |    |    |          |   |  |             |              | FY24                       | FY25 |
|      |      |    |    |          |   | <p><u>taxpayer on qualified research expenses over the previous 3 years</u> .</p> <p>Unused credit that exceeds the tax due for the year may be carried over for up to 15 years.</p> <p>MRS notes:</p> <ol style="list-style-type: none"> <li>1. Bill does not have application date</li> <li>2. Benefits highly concentrated on small number of large corps</li> <li>3. Consider 3/11/22 OPEGA report.</li> </ol> |             |              |                            |      |
| 803  | 1817 |    |    | Perry J  | An Act Regarding Taxation   | <p>This bill is a <u>concept draft</u> pursuant to Joint Rule 208.</p> <p>This bill would <u>make changes to the laws governing taxation</u>.</p>  | COR         | CO-T         |                            |      |
| 916  | 2374 | No | Mo | O'Neil   | An Act to Establish a Windfall Profits Tax on Electric Utilities to Assist with Residential Heating Costs | <p>This bill is a concept draft pursuant to Joint Rule 208.</p> <p>This bill proposes to establish a windfall profits tax on electric utilities and dedicate the revenue from this tax to a fund to provide assistance with heating costs to the residents of this State.</p>  | COR         | CO-T         |                            |      |
| 996  | 2326 |    |    | Gramlich | An Act to Allow a Municipality to Establish a Local Option Sales Tax                                      | <p>This bill allows a municipality to impose a seasonal or year-round local option sales tax on the sale of any goods or services allowed to be taxed at the statewide level by vote of the legislative body of the municipality or by municipal referendum.</p>   | COR         | CO-T         |                            |      |
| 1010 | 370  |    |    | Terry    | An Act to Provide Tax Relief for Working Families   | <p>This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to provide tax relief to working families by reforming the imposition of the</p>  |             | CO-T         |                            |      |

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|      |     |      |      |          |   |   |                          |              | FY24                       | FY25 |
|      |     |      |      |          |   | service provider tax, especially on nonprofit organizations, schools, religious institutions and hospitals, and by adjusting the income tax brackets to make them fairer.   | COR                      |              |                            |      |
| 1027 | 762 |      |      | Perkins  | An Act to Prohibit Local Sales Taxes                                | This bill prohibits a municipality from imposing a local sales tax.   | COR                      | CO-T         |                            |      |
| 1075 | 800 | 4/13 | 4/20 | Daughtry | An Act to Promote Economic Growth Through Increased Film Incentives | <p>This bill makes <u>multiple changes to the tax credits available to visual media production companies operating in the State</u>. The bill:</p> <ol style="list-style-type: none"> <li>1. <u>makes the available tax credits refundable and transferable,</u></li> <li>2. <u>increases the credits for certain expenses incurred in Maine and for hiring residents of Maine and</u></li> <li>3. <u>offers additional credits for visual media productions that are located in certain Maine counties, are set in Maine or have a lead cast member, writer or director who is a Maine resident.</u></li> <li>4. <u>reduces the total expenditures needed to qualify for the credits,</u></li> <li>5. <u>extends the time period for visual media production companies to certify with the DECD and</u></li> <li>6. <u>sets a \$500,000 limit on the total value of the tax credits that increases to \$1,000,000 after January 1, 2027.</u></li> </ol> <p>The bill makes other changes necessary for these <u>provisions</u>.</p> | <p>tabled</p> <p>COR</p> | CO-T         |                            |      |
|      |     |      |      |          |   |   |                          |              |                            |      |

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|      |      |      |      |          |   |   |                   |              | FY24                       | FY25                 |
| 1153 | 1513 | 4/5  | 4/12 | Woodsome | An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts | <p><b>Current law</b> provides a <u>property tax exemption</u> for <u>solar and wind energy equipment that generates heat or electricity IF:</u></p> <ol style="list-style-type: none"> <li>all of the <u>energy is used on the site</u> where the property is located, <u>or</u></li> <li>the energy is <u>transmitted through the facilities of a transmission and distribution utility, and a utility customer or customers receive a utility bill credit for the energy generated by the equipment.</u></li> </ol> <p><b>This bill</b> <u>removes wind energy equipment from the exemption.</u></p> | tabled<br><br>COR | CO-T         |                            |                      |
| 1184 | 312  | 4/26 | 5/4  | Jackson  | An Act to Exempt Certain Prescribed Home Medical Supplies from Sales Tax                | <p><b>Current law:</b> 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><b>This bill</b> 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>   | COR               | CO-T         |                            |                      |
| 1222 | 784  | 4/11 | 5/2  | Stewart  | An Act to Expand Child Care Services Through an Employer- supported Tax Credit          | <p>This bill repeals the section of law governing the former employer-assisted day care income tax credit, which by its own terms, since 2015 has not applied to tax years beginning on or after January 1, 2016.</p> <p>The bill <u>creates a new refundable tax credit for an employer that pays or provides in-kind resources to build or subsidize child care for the children of its employees.</u></p> <p>The amount of the annual <u>credit is the lesser of:</u></p>  | COR               | CO-T         | MRS estimates              |                      |
|      |      |      |      |          |   |   |                   |              | Admin costs                | \$33,000<br>One time |
|      |      |      |      |          |   |   |                   |              | Revenue loss (annual)      | \$5,000,000          |

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|      |      |      |                     |            |   |   |             |              | FY24                       | FY25 |
|      |      |      |                     |            |   | <ol style="list-style-type: none"> <li>50% of the amount expended by the employer or</li> <li>\$3,000 per child</li> </ol> <p>MRS has technical concerns</p>  |             |              |                            |      |
| 1231 | 1161 | 5/3  | 5/17<br>5/31        | Carmichael | An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets  | <p>CONCEPT DRAFT:</p> <p>This bill is a concept draft pursuant to Joint Rule 208. This bill would <u>change the income tax brackets</u> for imposition of the individual Maine income tax but <u>retain the same tax rates</u>.</p>   | COR         | CO-T         |                            |      |
| 1298 | 2113 |      |                     | Skold      | An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing | <p>This bill allows a municipality to impose a local option sales tax of 1% on short-term lodging that is subject to the state sales and use tax if approved by referendum of the voters in that municipality. The revenue from the local option sales tax must be distributed to the municipality imposing the local option sales tax. The distributed revenue must be used in municipal programs that support affordable housing development in that municipality, including rental assistance for lower income households or moderate income households. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law. The local option sales tax may not take effect before July 1, 2024.</p> | COR         | CO-T         |                            |      |
| 1335 | 1376 | 4/12 | 4/27<br>5/25<br>6/1 | Boyer      | An Act to Amend the Property Tax Stabilization for Senior Citizens Law                    | <p>This bill;</p> <ol style="list-style-type: none"> <li>provides that <u>eligible individuals who are married to each other may not receive property tax stabilization for more than one homestead</u>,</li> <li><u>allows homesteads held in trust to qualify for stabilization and</u></li> <li><u>requires each application after the application upon which the stabilization was originally based to contain information indicating any additions or improvements that have been made to the eligible homestead since the previous application.</u></li> </ol>  | COR         | CO-T         |                            |      |

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|      |      |      |                     |          |   |  |                   |              | FY24                       | FY25 |
|      |      |      |                     |          |   | <u>MRS has technical concerns.</u>   |                   |              |                            |      |
| 1337 | 1529 | 4/13 | 4/20                | Matlack  | An Act to Require a Corporation That Files a Tax Return in the State to File a Tax Disclosure Statement | <p>This bill requires a corporation that files a tax return with the State to file a tax disclosure statement with the Department of Administrative and Financial Services, Bureau of Revenue Services.</p> <p>It requires the bureau to adopt major substantive rules for the procedures to provide public access to the tax disclosure statements at least 3 calendar years following the tax year of the filing and to adopt major substantive rules for oversight and penalties for failing to file or filing an inaccurate tax disclosure statement. It permits a corporation that files a tax disclosure statement to submit supplemental information that could facilitate proper interpretation of the information included in the tax disclosure statement. It requires a corporation that files an amended tax return or with a tax liability that is changed as the result of an uncontested audit adjustment or final determination by the bureau, the Maine Board of Tax Appeals or Superior Court to file a revised tax disclosure statement within 60 calendar days of filing the amended return or the final determination. It requires the bureau to make the tax disclosure statement available to the public on an ongoing basis in the form of a searchable database accessible through the Internet. It requires the chief operating officer of a corporation to attest in writing to the accuracy of the tax disclosure statement. It requires the bureau to audit a corporation's tax disclosure. It requires the bureau to publish the name of and penalty imposed upon a corporation subject to a penalty for failing to file or filing an inaccurate tax disclosure statement.</p> | COR               | CO-T         |                            |      |
| 1345 | 812  | 4/12 | 4/27<br>5/25<br>6/1 | Moriarty | An Act to Permit Municipalities to Establish by Ordinance a Program for                                 | <p>This bill <u>permits municipalities to establish a program</u> by ordinance for seniors that provides for:</p> <ol style="list-style-type: none"> <li><u>partial stabilization of property taxes</u></li> </ol>   | Tabled<br><br>6/1 | CO-T         |                            |      |

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|      |      |      |      |         |  |   |                                       |              | FY24                       | FY25 |
|      |      |      | 6/7  |         | Partial Deferral of Property Taxes for Seniors                                 | <p>2. <u>accompanied by deferral of the amount of taxes due in excess of the stabilized amount.</u></p> <p>Residents of a municipality that <u>participate in the State's property tax deferral or stabilization programs may not participate in a municipal program.</u></p> <p><u>MRS has technical concerns.</u></p>   | <p>tabled</p> <p>table carry over</p> |              |                            |      |
|      |      |      |      |         |  | <p><b>2d Regular:</b></p> <p>Sponsor has proposed amendment<br/>Technical changes and changes to address MRS comments.</p>  |                                       |              |                            |      |
| 1405 | 1636 | 4/26 | 5/31 | Boyer   | An Act to Change How Adult Use Cannabis Excise Tax Is Calculated               | <p>Beginning January 1, 2024, this bill changes the basis for the calculation of the adult use cannabis excise tax on <b>cannabis flower</b> from the weight of product sold to the average market rate of cannabis flower sold. The average market rate would be determined annually by the Department of Administrative and Financial Services.</p> <p>The bill <u>also decreases the excise tax on <b>cannabis trim</b> from \$94 per pound to \$25 per pound.</u></p>   | OTPA                                  | CO-T         |                            |      |
| 1454 | 1717 |      |      | Chipman | An Act Regarding the Distribution of Revenue from the Real Estate Transfer Tax | <p>This bill changes the distribution of revenue from the real estate transfer tax on property transfers by deeds to provide that beginning in fiscal year 2023-24 revenue received by the State would be distributed entirely to the Maine State Housing Authority for deposit in the Housing Opportunities for Maine Fund after the transfer of funds identified to be used by the Maine State Housing Authority for deposit in the Maine Energy, Housing and Economic Recovery Fund to meet the authority's obligations relating to bonds issued or planned to be issued by the authority for the Maine Energy, Housing and Economic Recovery Program. For</p> | COR                                   | CO-T         |                            |      |

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|      |      |      |      |         |   |   |             |              | FY24  | FY25 |
|      |      |      |      |         |   | fiscal years 2025-26 to 2030-31, as long as the revenue to the Maine State Housing Authority does not fall below the level of available revenues of fiscal year 2021-22, 50% of the remaining funds received in the Housing Opportunities for Maine Fund must be used to support the creation of new housing units that are affordable to low income households.  |             |              |   |      |
| 1538 | 142  | 5/10 | 5/17 | Brenner | An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units | <p>This bill <u>requires</u></p> <ol style="list-style-type: none"> <li>1. <u>reimbursement by the State for up to 10 years</u></li> <li>2. <u>to an owner of single family or multifamily residence</u></li> <li>3. <u>of a percentage of property taxes paid due to an increase in the taxes (on value increase up to \$200,000)</u></li> <li>4. <u>because of the construction of an accessory dwelling unit (ADU) (an attached or detached dwelling unit on the same lot or parcel as an existing or proposed single-family or multifamily residence that allows for independent living for one or more persons and contains kitchen and bathroom facilities and sleeping accommodations).</u></li> </ol> <p><u>The percentage of reimbursement is 100% of the increase in PT in the first 5 years declining to 5% in the 10<sup>th</sup> year.</u></p> <p><u>MRS has identified several areas in the bill where clarification is needed.</u></p> | COR         | CO-T         | MRS estimates<br><br>Administration will require significant amount of State resources. |      |
| 1648 | 1490 | 5/17 |      | Boyle   | An Act to Make Changes to the Farm and Open Space Tax Law                       | <p>This bill establishes a <u>new method for the valuation of land under the farm and open space tax law.</u></p> <p><u>It extends eligibility for a reduced valuation to land managed under a carbon conservation management plan, which is a written agreement between the landowner and DACF that describes strategies to be</u></p>   | COR         | CO-T         |   |      |

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|      |      |      |      |         |   | <p>used on a parcel of land at least 10 acres in size to increase carbon storage or improve carbon conservation.</p> <p><u>It removes the requirement that wildlife habitat land meet specific criteria to be eligible for a reduced valuation, such as being designated by the Department of Inland Fisheries and Wildlife as supporting important wildlife habitat or identified by the Department of Agriculture, Conservation and Forestry as supporting a natural vegetation community. Instead, such land is eligible for a reduced valuation if the landowner establishes and complies with a written management agreement between the landowner and either the DIFW or DACF to ensure that the habitat benefits provided by the land are not lost.</u></p> <p><u>This bill establishes specific criteria for management plans, including requiring them to contain specific strategies for compliance, be sworn to and complied with by the landowner and renewed at least once every 10 years.</u></p> <p><u>This bill requires the State Tax Assessor to reimburse municipalities for revenue lost as a result of being enrolled under the farm and open space tax law in a amount equal to the reduction in valuation multiplied by “tax burden “ in the tax jurisdiction.”</u></p> <p><u>This bill also removes the provision limiting to no more than 15,000 acres the amount of land that may be enrolled by a landowner under the farm and open space tax law.</u></p> |             |              |                            |      |
| 1685 | 1518 | 5/11 | 5/24 | Matlack | An Act to Increase Acreage Eligibility and Change Requirements for Filing Plans Under the Maine Tree Growth Tax Law | This bill <u>amends the Maine Tree Growth Tax Law</u> by:   | COR         | CO-T         |                            |      |

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|      |      |      |                      |         |  |   |             |              | FY24                       | FY25 |
|      |      |      |                      |         |  | <p>1. <u>increasing the acreage eligibility requirement from 10 to 25 acres of forested land beginning April 1, 2025.</u></p> <p>2. <u>Authorizing municipal assessors and the State Tax Assessor to retain copies of required forest management and harvest plans and with assistance from the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry to determine the sufficiency of a plan to meet the requirements of the law.</u> Forest management and harvest plans retained by a municipal assessor or the State Tax Assessor are confidential and not public records.</p> <p>MRS has technical concerns.</p>   |             |              |                            |      |
| 1737 | 2103 | 5/17 | 5/24<br>5/25<br>5/31 | Hymes   | An Act to Provide up to \$5,000 in Property Tax Relief to Veterans | <p><b>Current law</b> provides up to a \$6,000 exemption in just value for veterans who are at least 62 years of age and who served during a federally recognized war period or veterans who were disabled during active military service.</p> <p><b>This bill</b> provides a complete exemption from property taxes for eligible veterans, <u>except that the dollar amount of the reduction in taxes due because of the exemption is limited to \$5,000 or the amount of taxes actually due for that property tax year, whichever amount is less.</u></p> <p><b>Sponsor description of proposed amendment:</b></p> <ol style="list-style-type: none"> <li><u>Veterans age 62+ will still have wartime provision, not dishonorably discharged and served at least 10 years (working on amount of exemption)</u></li> <li><u>Veterans under age 62 would be eligible if disabled. Amount of exemption would be based on % disability</u></li> </ol> | COR         | CO-T         |                            |      |

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|      |      |      |      |         |   |   |             |              | FY24  | FY25 |
|      |      |      |      |         |   | <p>3. <u>Maximum of total \$5,000 off of total property tax</u> assessed on estate</p> <p>4. <i>(Details still need to be worked out--JSJ)</i><br/>Sponsor working on basing exemption on valuation, rather than amount of taxes paid.</p>  |             |              |   |      |
| 1774 | 1077 | 5/9  | 5/24 | Arata   | An Act Exempting Certain Emergency Distributions and Emergency Savings Accounts from Taxation | <p>This bill provides for an <u>IT deduction of the following amounts</u> from FAGI for purposes of <u>calculating MAGI gross income</u> (subtraction modification):</p> <p>1. An amount constituting <u>an emergency personal expense distribution from an eligible retirement plan</u> allowed under the federal Consolidated Appropriations Act, 2023, Public Law 117-328, Division T, Section 115; and</p> <p>2. <u>Any capital gains, dividends or interest earned in pension-linked emergency savings accounts</u> described under the federal Consolidated Appropriations Act, 2023, Public Law 117-328, Division T, Section 127.</p> <p>Sponsor provided text of relevent federal laws with her testimony</p> | COR         | CO-T         |   |      |
| 1804 | 898  | 5/11 | 5/16 | Bennett | An Act to Provide Transparency and Accountability for Corporate Tax Expenditures              | <p><b>This bill expands info</b> required to be reported in annual reports by the <u>Commissioner of DECD</u> and STA regarding several tax expenditures</p> <p>1. <u>Commissioner of DECD to TAX and IDEAB</u> on Pine Tree Development Zones and</p>  | COR         | CO-T         | <p>MRS estimates</p> <p>Admin costs: \$26,000 to \$300,000</p> <p>Revenue impact: Revenue neutral</p> |      |

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|      |      |     |    |         |   |   |             |              | FY24                       | FY25 |
|      |      |     |    |         |   | <p>2. <u>STA or local assessor?</u> to TAX and IDEAB to on BETE</p> <p>3. Commissioner of DECD <u>to TAX on info related to employment tax increment financing (ETIF)</u></p> <p>4. <u>STA to TAX on BETR</u></p> <p>5. <u>STA to TAX on shipbuilding facility credits</u></p> <p><b>Reports required under current law:</b><br/> PTDZ: 6/1 annually Commissioner DECD report to TAX and IDEAB specified info.</p> <p>BETE:</p> <p>ETIF:</p> <p>BETR:</p> <p>Shipbuilding Credit: STA reports to TAX biennially employment levels and qualified investment.</p> |             |              |                            |      |
| 1810 | 1684 | 5/9 |    | Terry   | An Act to Expand the Maine Historic Rehabilitation Credit and Establish a Weatherization Tax Credit | This bill amends the IT credit for historic properties by : <ol style="list-style-type: none"> <li><u>Increasing the tax credit from 25% to 30% of the certified qualified rehabilitation expenditures of a taxpayer for a certified historic structure if the taxpayer does not claim a credit under IRC, Section 47;</u></li> </ol>   | COR         | CO-T         |                            |      |

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|----|----|----|----|---------|-------|---|-------------|--------------|----------------------------|------|
|    |    |    |    |         |       |   |             |              | FY24                       | FY25 |
|    |    |    |    |         |       | <p>2. <u>Increasing the allowable certified qualified rehabilitation expenditures of a taxpayer from a maximum of \$250,000 to a maximum of \$1,000,000 for a certified historic structure if the taxpayer does not claim a credit under the IRC, Section 47;</u></p> <p>3. <u>Increasing the increased tax credit for a certified affordable housing project from 30% to 35% of certified qualified rehabilitation expenditures for which a credit is claimed under the Code, Section 47; and</u></p> <p>4. <u>Increasing the increased tax credit for a certified affordable housing project from 30% to 45% of certified qualified rehabilitation expenditures if the taxpayer does not claim a credit under the Code, Section 47.</u></p> <p>5. <u>The bill establishes a credit for rehabilitation and weatherization of historic homes equal to 25% of the qualified exterior rehabilitation expenditures of a taxpayer who incurs at least \$5,000 and not more than \$62,500 in expenditures for a certified historic home. It also provides for an increased credit of 30% of expenditures up to \$75,000 under certain circumstances. It requires the Director of Maine Historic Rehabilitation Commission to determine eligibility.</u></p> <p>6. <u>. The bill adds the credit for rehabilitation and weatherization of historic homes to the biennial report that the Maine Historic Preservation Commission provides to the Legislature</u></p> |             |              |                            |      |

| LD   | LR   | PH   | WS   | SPONSOR | TITLE  | SUMMARY<br>(Summaries may not reflect content of most recent committee action)   | COMM ACTION | FINAL ACTION | FISCAL IMPACT <sup>1</sup> |      |
|------|------|------|------|---------|--|--|-------------|--------------|----------------------------|------|
|      |      |      |      |         |  |  |             |              | FY24                       | FY25 |
| 1873 | 1495 | 5/18 | 5/24 | Brakey  | An Act to Provide Heating Relief with Tax-free Home Energy Savings Accounts                      | <p>This bill <u>establishes the Home Energy Savings Account Program, to be administered by FAME</u> to allow individuals and married couples <u>to open a home energy savings account into which annual deposits of up to \$2,500 for an individual and \$5,000 for a married couple may be made to be used for home weatherization and heating or electricity cost of a residence in Maine.</u> Balances in an account carry forward each year.</p> <p>The <u>amount deposited is exempt from Maine income tax but may be used only for the weatherization of the account holder's residence or the payment of fuel or electricity costs incurred for heating the account holder's residence. If used for another purpose are subject to income tax.</u></p> <p>5/24 Consider Carryover</p>   | COR         | CO-T         |                            |      |
| 1891 | 2189 |      |      | Terry   | An Act to Support Maine Businesses Through a Child Care Tax Credit and a Pass-through Entity Tax | <p>Part A of this bill establishes a pass-through entity tax on the income of partners and shareholders of S corporations to permit certain entities to elect to pay Maine income tax at the entity level. The effect of this is to allow a taxpayer who elects to become a pass through entity to deduct Maine income taxes paid on the taxpayer's federal income tax return.</p> <p>Part B of this bill establishes a business-supported child care tax credit to provide to an employer that provides early child care and education services to children of its employees, either by expending funds to build, furnish, license, staff, operate or subsidize a child care facility licensed by the Department of Health and Human Services or to contract with a child care facility licensed by or registered with the department. The credit is equal to the lower of \$10,000 or \$1,000 per child of an employee for whom the employer provides early child care and education services.</p> | COR         | CO-T         |                            |      |

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|------|------|----|----|---------|---|---|-------------|--------------|----------------------------|------|
|      |      |    |    |         |   |   |             |              | FY24                       | FY25 |
| 1893 | 224  |    |    | Strout  | An Act to Allow a Municipality to Impose a Fee on Short-term Rentals for the Benefit of That Municipality | This bill allows a municipality to impose, if approved by referendum of the voters in that municipality, a local option fee on short-term rentals of living quarters in any hotel, rooming house or tourist or trailer camp currently subject to the 9% sales tax on lodging, including a short-term accommodation rental rented through a transient rental platform. Long-term rentals currently exempt from sales tax are not subject to the short-term rental fee. The revenue from the local option fee is distributed to the municipality imposing the local option fee. Revenue received by a municipality from a local option fee imposed on short-term rentals may not be used to reduce or eliminate funding otherwise due to the municipality under other provisions of law. The local option fee may not take effect before July 1, 2024.  | COR         | CO-T         |                            |      |
| 1900 | 2209 |    |    | Brakey  | An Act to Establish a Tax Credit for Employers Who Employ Persons Recovering from Substance Use Disorder  | This bill provides for a tax credit for employers who employ persons recovering from substance use disorder who are completing or have successfully completed a substance use disorder treatment program certified by the Department of Health and Human Services. The Department of Health and Human Services is required to establish a certification process for employers. A certified employer, in order to receive the tax credit, is required to apply to the State Tax Assessor for the tax credit. The tax credit is available with respect to an employee who has been employed with the employer for at least 500 hours. The credit is calculated by multiplying the number of hours, above the 500 hours from date of hire, worked by the employee by \$1, except that the credit may not exceed \$2,000 for each eligible employee. The credit may be claimed only once per employee. The credit is further limited by a total allocation of credit of \$2,000,000 per year. | COR         | CO-T         |                            |      |

| LD   | LR   | PH | WS | SPONSOR | TITLE  | SUMMARY<br>(Summaries may not reflect content of most recent committee action)  | COMM ACTION | FINAL ACTION | FISCAL IMPACT <sup>1</sup> |      |
|------|------|----|----|---------|--|---|-------------|--------------|----------------------------|------|
|      |      |    |    |         |  |   |             |              | FY24                       | FY25 |
| 1961 | 2321 |    |    | Jackson | An Act to Support Potato Processing in Maine                 | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to enact measures to support Maine's potato processing industry.  | COR         | CO-T         |                            |      |
| 1974 | 818  |    |    | Stewart | An Act to Reauthorize Maine's New Markets Tax Credit Program | This bill amends the Maine New Markets Capital Investment Program and the new 3markets capital investment income tax credit to establish a new tax credit authority, referred 4to as "the program 2 tax credit authority," for tax credit authority allocated by the Finance Authority of Maine on or after January 1, 2023. This bill establishes an application process for community development entities recognized as Maine funds and diverse Maine funds to receive an allocation of tax credit authority. The effect of this change on the Maine New Markets Capital Investment Program is to shorten the period, from 24 months to 6 months after receipt of the notice of allocation of the tax credit authority, by which a community development entity must issue the equity investments or debt securities and receive cash in the total amount of tax credits authorized. The limit on the amount of tax credits authorized is unchanged. The effect of this change on the new markets capital investment tax credit is to shorten the time, from 24 months to 12 months after issuance of the qualified equity investment, by which a community development entity must invest at least 85% of the purchase price of the qualified equity investment in qualified low-income community investments before recapture of the credit is allowed. This bill makes conforming changes to the new markets capital investment tax credit provisions to integrate impact qualified equity investments into the existing provisions governing the eligibility for an allocation of tax credits under the Maine New Markets Capital Investment Program. The amount of impact qualified equity investments is \$30,000,000, which may be made in exchange for tax credits, to be invested in historically disadvantaged groups located anywhere | COR         | CO-T         |                            |      |

| LD   | LR   | PH | WS | SPONSOR | TITLE  | SUMMARY<br>(Summaries may not reflect content of most recent committee action)   | COMM ACTION | FINAL ACTION | FISCAL IMPACT <sup>1</sup> |      |
|------|------|----|----|---------|--|--|-------------|--------------|----------------------------|------|
|      |      |    |    |         |  |  |             |              | FY24                       | FY25 |
|      |      |    |    |         |  | in this State. Fifty percent of impact qualified equity investments must be reserved for diverse Maine funds, which are community development financial institutions that have their principal place of business in this State and are more than 50% owned and controlled by individuals who are racial or ethnic minorities or members of a federally recognized Indian nation, tribe or band in this State or are governed by a board of directors more than 50% of which are individuals who are racial or ethnic minorities or members of a federally recognized Indian nation, tribe or band in this State. The maximum amount of an investment made with a qualified equity investment by a qualified community development entity in a qualified active low-income community business is \$5,000,000.   |             |              |                            |      |
| 1999 | 2509 |    |    | Terry   | An Act to Ensure the Equitable Treatment of Military Retirement Plan Income  | Current law provides an exemption from state income tax for military retirement plan benefits. This bill provides a state income tax exemption for military retirement plan benefits that are included in a federal retirement plan.   | COR         | CO-T         |                            |      |
| 2000 | 1653 |    |    | Terry   | An Act to Change the Taxation of Rental Tangible Personal Property to Make It Consistent with the Predominant Method in Other States' Rental Industry Laws for Sales and Use Tax | In the current system of taxation for the rental or lease of tangible personal property, the rental or leasing company property is taxed at acquisition or when brought into Maine from out of state, but rental and lease receipts are exempt from sales and use tax. This bill amends Maine sales and use tax law to make it more consistent with the predominant method of taxation in other states by allowing rental and leasing companies to purchase exempt from taxation all rental fleet and tangible personal property for resale and requiring the rental and leasing companies to collect sales tax from the customer. The bill includes a limited refund opportunity for use tax paid on the purchase of rental fleet and tangible personal property by rental and leasing companies prior to January 1, 2024. The bill does not affect the lease or rental of trucks | COR         | CO-T         |                            |      |

| LD   | LR   | PH | WS | SPONSOR    | TITLE  | SUMMARY<br>(Summaries may not reflect content of most recent committee action)   | COMM ACTION | FINAL ACTION | FISCAL IMPACT <sup>1</sup> |      |
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|      |      |    |    |            |  |  |             |              | FY24                       | FY25 |
|      |      |    |    |            |  | and truck tractors from a person primarily engaged in the business of leasing or renting trucks and truck tractors   |             |              |                            |      |
| 2005 | 2525 |    |    | Fredericks | An Act to Eliminate the Aircraft Excise Tax  | This bill repeals the annual excise tax imposed on aircraft and provides an explicit exemption from the excise tax for aircraft.   | COR         | CO-T         |                            |      |
| 2006 | 2534 |    |    | Keim       | An Act to Amend the Laws Regarding Adjustments for Sudden and Severe Disruption of Municipal Valuation | This bill provides that the amount of money that a municipality that qualifies for an adjustment for sudden and severe disruption of valuation uses from undesignated fund balances does not reduce the amount of money that municipality receives in state-municipal revenue sharing. | COR         | CO-T         |                            |      |