

TAX WS 1/30/2024

TAXATION COMMITTEE
131st LEGISLATURE
2nd REG SESSION

ABBREVIATIONS

COR Carry over requested by TAX
CO-T Carried over in TAX
SHADED LDs HAVE BEEN VOTED

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT ¹	
									FY24	FY25
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 <u>corporation</u> (includes a domestic corporation, a foreign corporation and a financial institution that files a tax return with the State) to <u>file a tax disclosure statement</u> with the Department of Administrative and Financial Services, Bureau of Revenue Services. (Does Not include a “qualified personal service corporation as defined by the IRC)</p> <p>The bill requires MRS to:</p> <ul style="list-style-type: none"> adopt major substantive rules for the procedures to provide <u>public access to the tax disclosure statements</u> at least 3 calendar years following the tax year of the filing and to adopt major substantive <u>rules for oversight and penalties for failing to file or filing an inaccurate tax disclosure statement.</u> <p>The bill <u>permits</u> a corporation that files a tax disclosure statement to <u>submit supplemental information</u> that could facilitate proper interpretation of the information included in the tax disclosure statement.</p> <p>It requires <u>a corporation that files an amended tax return</u> 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 <u>to file a revised tax</u></p>	COR	CO-T		

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>disclosure statement</u> within 60 calendar days of filing the amended return or the final determination.</p> <p>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.</p> <p>It requires the <u>chief operating officer of a corporation to attest in writing to the accuracy of the tax disclosure statement.</u></p> <p>It requires the bureau to audit a corporation's tax disclosure.</p> <p>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>				
			1/30							
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.</p>	COR	CO-T		

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						For 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, <u>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.</u>				
		1/25	1/30							
1804	898	5/11	5/16	Bennett	An Act to Provide Transparency and Accountability for Corporate Tax Expenditures	<p>This bill expands info required to be reported in annual reports by the <u>Commissioner of DECD</u> and <u>STA</u> regarding several tax expenditures</p> <ol style="list-style-type: none"> 1. <u>Commissioner of DECD to TAX and IDEAB on Pine Tree Development Zones (PTDZ)</u> and 2. <u>STA or local assessor?</u> to TAX and IDEAB to <u>on BETE</u> 3. <u>Commissioner of DECD to TAX on info related to employment tax increment financing (ETIF)</u> 4. <u>STA to TAX on BETR</u> 5. <u>STA to TAX on shipbuilding facility credits</u> <p>Reports required under <u>CURRENT LAW</u>: <u>PTDZ:</u> 6/1 annually Commissioner DECD report to TAX and IDEAB specified info. Pursuant to PL 2023, c. 412 Part J, PTDZ program is being replaced by Dirigo Business Incentive</p>	COR	CO-T	MRS estimates Admin costs: \$260,000 to \$300,000 Revenue impact: Revenue neutral	

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						<p>Program (contains report by STA to DECD and TAX and IDEAB Committees.</p> <p><u>BETE:</u> Current law reporting requirement not found. OPEGA BETR/BETE TER report issued Feb. 2020.</p> <p><u>ETIF:</u> Pursuant to PL 2023, c. 412, Part J entry into ETIF ends 12/1/24. Benefits are available for 10 years after entry (12/2034). <u>Reporting requirement not found.</u> OPEGA ETIF TER report issued Jan. 2019.</p> <p><u>BETR:</u> STA Reporting requirement repealed in 2017 in MRS bill. <u>OPEGA BETR/BETE TER report</u> issued Feb. 2020.</p> <p><u>Shipbuilding Credit:</u> STA reports to TAX biennially employment levels and qualified investment.</p>				
			1/11/24 1/30/24			<p><u>Sponsor suggests the following to address concerns raised by MRS testimony:</u></p> <ol style="list-style-type: none"> 1. including new Dirigo Business Incentive Program 2. Including application date and report timing 3. Correcting statutory reference to shipbuilding credit 4. Include exceptions to MRS confidentiality provisions. <p><u>Maine Revenue Services identifies several administrative concerns and need for statutory changes.</u></p>	tabled			

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1974	818			Stewart	An Act to Reauthorize Maine's New Markets Tax Credit Program	<p>This bill amends the <u>Maine New Markets Capital Investment Program and the new markets capital investment income tax credit</u> to establish a new tax credit authority, referred to as "the program 2 tax credit authority," for tax credit authority allocated by the Finance Authority of Maine on or after January 1, 2023.</p> <p>This bill establishes an <u>application process for community development entities recognized as Maine funds and diverse Maine funds</u> to receive an allocation of tax credit authority.</p> <p>The effect of this change on the Maine New Markets Capital Investment Program is to <u>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.</u></p> <p>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.</p> <p>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</p>	COR	CO-T		

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						<p>tax credits, to be invested in historically disadvantaged groups located anywhere in this State. Fifty percent of impact qualified 24equity 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.</p> <p>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.</p>				
		1/9/24	1/30/24			DECD provided significant amount of information pursuant to questions raised at public hearing. See 1/16/24 memo in folder				