

TAX WS 1/31/2024

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
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 a health care practitioner; <u>crutches and wheel chairs</u> for sick, injured or disabled persons.</p> <p>This bill provides a sales tax exemption for <u>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> <p>Question: Is definition needed for “medical equipment and supplies?”</p> <p>MRS indicates need for several clarifications.</p>	COR	CO-T		
			1/31							
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> or <u>Contracts for the provision of child care services for 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 One time
									Revenue loss (annual)	\$5,000,000

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>1. 50% of the amount expended by the employer or</p> <p>2. \$3,000 per child</p> <p>MRS has technical concerns</p>				
			1/31							
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 <u>establishes a pass-through entity tax on the income of partners and shareholders of S corporations</u></p> <p>to permit certain <u>entities to elect to pay Maine income tax at the entity level.</u></p> <p>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>AT PH, Mike Saxl presented an amendment for the pass-through entity income tax option. Small differences in draft</p> <p>Part B of this bill creates a child care tax credit to provide to <u>an employer that provides early child care and education services to children of its employees,</u></p> <ul style="list-style-type: none"> • either by <u>expending funds to build, furnish, license, staff, operate or subsidize a child care facility licensed by the Department of Health and Human Services or</u> • to <u>contract with a child care facility licensed by or registered with the department.</u> <p>The credit is equal to the <u>lower of \$10,000 or \$1,000 per child of an employee</u> for whom the employer provides early child care and education services.</p>	COR	CO-T		

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		1/25	1/31							
1893	224			Strout	An Act to Allow a Municipality to Impose a Fee on Short-term Rentals for the Benefit of That Municipality	<p>This bill allows a municipality to impose, if approved by referendum of the voters in that municipality, a <u>local option fee on short-term rentals of living quarters</u> 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.</p> <p><u>Long-term rentals currently exempt from sales tax are not subject to the short-term rental fee.</u></p> <p><u>The revenue from the local option fee is distributed to the municipality imposing the fee. Revenue received by a municipality from a local option fee imposed on short-term may not be used to reduce or eliminate funding otherwise due to the municipality under other provisions of law.</u></p> <p><u>The local option fee may not take effect before July 1, 2024.</u>(Date may need to be adjusted)</p>	COR	CO-T		
		1/23	1/31			<p><u>General distinction between a tax and a fee:</u> “Taxes are imposed for the primary purpose of raising revenue, with the resultant funds spent on general government services. Fees are imposed for the primary purpose of covering the cost of providing a service, with the funds raised directly from those benefitting from a particular provided service.” Tax Foundation</p> <p><u>Sponsor suggested amending bill</u> to require that 2% of the 9% lodging tax should be paid by the State to the local municipality where the lodging is located.</p>				

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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	<p>CURRENT LAW: 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.</p> <p>This bill amends Maine sales and use tax law to <u>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.</u></p> <p>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.</p> <p>The bill does not affect the lease or rental of trucks and truck tractors from a person primarily engaged in the business of leasing or renting trucks and truck tractors</p>	COR	CO-T		
		1/16	1/31							