

TAX Joint R2 3/25/2024

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
191	289	2/14		Stewart	An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits	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> <u>Current law:</u> <u>BETR:</u> <ol style="list-style-type: none"> Eligible business property 1st placed in service after 4/1/95 and on or before 4/1/05. Certain retail sales facility property placed in service after 4/1/95 <u>BETE:</u> <ol style="list-style-type: none"> Eligible property 1st placed in service on or after 4/1/05 <u>MRS has administrative and Constitutional concerns.</u> <ol style="list-style-type: none"> “3rd party certification” needs to be clarified. Constitutional “Commerce Clause” concerns 	COR	CO-T		
			1/11/24				OTP/ ONTP			

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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457	2184			Chipman	An Act to Amend Maine's Tax Laws	<p>This bill is a concept draft pursuant to Joint Rule 208.</p> <p>This bill would amend Maine's tax laws.</p>	COR	CO-T		
		2/20								
499	1756			Chipman	An Act to Amend Maine's Tax Laws	<p>This bill is a concept draft pursuant to Joint Rule 208.</p> <p>This bill would amend Maine's tax laws.</p>	COR	CO-T		
		1/30	2/13 3/20						<p>Sponsor presented proposed amendment at PH 1/30/24</p> <p>Bill provides that employer with more than 20 employees must, in accordance with rules to be adopted, offer to those employees a pretax commuter benefit not to exceed \$300 per month..</p> <p>MRS needed time to review and indicate its concerns.</p>	ONTP/ OTPA
633	445			Madigan	An Act to Dedicate Revenue from Alcohol Tax to Alcohol Use Disorder Treatment	<p>This bill is a concept draft pursuant to Joint Rule 208.</p> <p>This bill would dedicate a portion of the revenue from the taxes imposed on alcohol to funding for alcohol use disorder treatment programs.</p>	COR	CO-T		
										LVWD
643	1665	3/28	4/6 4/19	Terry	An Act to Promote Research and Development in the State by Increasing the Research Expense Tax Credit	<p>This bill <u>increases the research expense tax credit</u> by:</p> <ol style="list-style-type: none"> <u>increasing the amount of expenditures eligible for the credit,</u> doubling the rate by which the credit is calculated <u>from 5% to 10% of the excess of qualified research expenses over the base</u> 	<p>4/6 not taken up</p> <p>4/19/2023 tabled</p>	CO-T	<p>MRS estimates</p> <p>Admin costs: Marginal, absorbed</p> <p>Revenue loss(annual) \$7.5 million</p> <p>"Red book" estimate of revenue loss of current credit:</p>	

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						<p><u>amount</u> and <u>from 7.5% to 15% of the base research payments under the IRC</u> ,</p> <p>3. <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></p> <p>4. <u>halving the base amount used to determine the credit from 100% to 50% of the average amount per year spent by the 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"> 1. Bill does not have application date 2. Benefits highly concentrated on small number of large corps 3. Consider 3/11/22 OPEGA report. 	COR		FY 25	\$3,240,000	
			1/24 2/14			<p>Bill needs to be coordinated with technical change made in PL 2023, c. 360, §B-11</p> <p>Bill needs application date (1/1/24TYs?)</p>	ONTP				
803	1817			Perry J	An Act Regarding Taxation	<p>This bill is a <u>concept draft</u> pursuant to Joint Rule 208. This bill would <u>make changes to the laws governing taxation</u>.</p>	COR	CO-T			
		3/12/24	3/14/24 3/19			<p>Proposed amendment presented at 3/12 PH replaces the bill.</p> <p>The proposed amendment <u>directs DECD in consultation with OPEGA and MRS/OTP to:</u></p> <ol style="list-style-type: none"> 1. <u>review aspects of the State's tax expenditures and other programs</u> that provide incentives for economic development and 	OTPA				

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						<p>2. <u>evaluate the effectiveness of the programs and ways in which the programs could be more effective.</u></p> <p>3. DECD is directed <u>to make a report to the TAX Committee by 1/1/25</u> regarding the findings and recommendations of the review group.</p> <p>4. <u>The TAX Committee is authorized to report out legislation</u> to the 132nd Legislature.</p> <p>MRS indicates difficulties with suggested process and suggests simplification.</p>				
916	2374			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		
							LVWD			
996	2326			Gramlich	An Act to Allow a Municipality to Establish a Local Option Sales Tax	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.	COR	CO-T		
							LVTW			
1010	370			Terry	An Act to Provide Tax Relief for Working Families	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 service provider tax, especially on nonprofit organizations, schools, religious institutions and hospitals, and by adjusting the income tax brackets to make them fairer.	COR	CO-T		

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							LVWD			
1027	762			Perkins	An Act to Prohibit Local Sales Taxes	This bill prohibits a municipality from imposing a local sales tax that is not authorized by Title 36, chapter 213 (Sales Tax).	COR	CO-T		
		1/9/24	1/16/24			<p>2d Reg: Maine Revenue Services raises Constitutional and technical issues.</p> <p>Article IX, §9 of the Maine Constitution provides: <i>The Legislature shall never, in any manner, suspend or surrender the power of taxation.</i>”</p>	ONTP			
1075	800	4/13	2/20 3/8	Daughtry	An Act to Promote Economic Growth Through Increased Film Incentives	<p>This bill makes <u>multiple changes to the tax credits and reimbursement available to visual media production companies operating in the State</u>. The bill:</p> <ol style="list-style-type: none"> 1. <u>makes the available tax credits refundable and transferable,</u> 2. <u>increases the credits for certain expenses incurred in Maine and for hiring residents of Maine and</u> 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> 4. <u>reduces the total expenditures needed to qualify for the credits,</u> 5. <u>extends the time period for visual media production companies to certify with the DECD and</u> 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> <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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		2/6/24	2/20				OTPA/O NTP			
1153	1513	4/5	4/12	Woodsome	An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts	<p>Current law provides a <u>property tax exemption for solar and wind energy equipment that generates heat or electricity IF:</u></p> <ol style="list-style-type: none"> all of the <u>energy is used on the site</u> where the property is located, <u>or</u> 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> <p>This bill removes wind energy equipment from the <u>exemption.</u></p>	tabled COR	CO-T		
			1/11/24 1/23/24 2/7/24 2/14/24 3/8/24		<p style="text-align: center;">Amendment Summary</p> <p><u>This amendment replaces the LD. It changes the requirements for personal and real estate property tax exemptions for certain solar energy equipment for property tax years beginning on or after April 1, 2025. After that date, solar energy is exempt from property taxation if:</u></p> <ol style="list-style-type: none"> The energy it produces is used on-site, The <u>equipment is collocated with customer or customers using at least 50% energy on-site, or</u> <u>The energy the equipment produces is transmitted through an electric utility and accounted for using a bill credit mechanism and the generator</u> 	OTPA ONTP				

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						1. 50% of the amount expended by the employer or 2. \$3,000 per child MRS has technical concerns				
			1/31 2/15				ONTP			
1231	1161	5/3	5/17 5/31	Carmichael	An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets	CONCEPT DRAFT: 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> .		CO-T		
			1/25 2/14 12/28			1/25/24 WS scheduled; not taken up	OTPA/ OTPA			
1298	2113			Skold	An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing	This bill <u>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</u> . <u>The revenue from the local option sales tax must be distributed to the municipality imposing the local option sales tax.</u> <u>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.</u> <u>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.</u>	COR	CO-T		

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		2/13/24	2/27/24				OTPA/ ONTP			
1335	1376	4/12	4/27 5/25 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"> 1. provides that <u>eligible individuals who are married to each other may not receive property tax stabilization for more than one homestead.</u> 2. <u>allows homesteads held in trust to qualify</u> for stabilization and 3. <u>requires each application</u> after the application upon which the stabilization was originally based <u>to contain information indicating any additions or improvements that have been made to the eligible homestead since the previous application.</u> <p><u>MRS has technical concerns.</u></p> <p><u>PL 2023, c. 412, Part S addressed the stabilization program:</u></p> <ol style="list-style-type: none"> 1. <u>Stabilization program ends after 2023 tax year.</u> 2. Expands property tax fairness credit (PTFC) by <u>increasing benefit base</u> to persons aged 65+<u>for persons age 65+.</u> 3. <u>Doubles the income and liquid asset thresholds for state deferral program persons age 65+ to be able to defer property taxes</u> Income from \$40,000 to \$80,000 Liquid assets from \$50,000 to \$100,000 or joint filer \$75,000 to \$150,000. 	COR	CO-T		
			1/11/24				ONTP			
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	This bill requires a corporation (includes a domestic corporation, a foreign corporation and a financial institution that files a tax return with the State) to file a tax disclosure statement with the Department of Administrative and Financial				

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						<p>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 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. <p>The bill 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.</p> <p>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.</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 chief operating officer of a corporation to attest in writing to the accuracy of the tax disclosure statement.</p> <p>It requires the bureau to audit a corporation's tax disclosure.</p>				

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						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.				
			1/30 2/22			1/30/24/ Sponsor submitted amendment.	OTPA/ONTP			
1345	812	4/12	4/27 5/25 6/1 6/7	Moriarty	An Act to Permit Municipalities to Establish by Ordinance a Program for Partial Deferral of Property Taxes for Seniors	<p>This bill permits municipalities to establish a <u>program</u> by ordinance for seniors that provides for:</p> <ol style="list-style-type: none"> <u>partial stabilization of property taxes</u> <u>accompanied by deferral of the amount of taxes due in excess of the stabilized amount.</u> <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>MRS has technical concerns.</p>	Tabled 6/1 table carry over	CO-T		
			1/11/24			<p>2d Regular:</p> <p>Sponsor has proposed amendment Technical changes and changes to address MRS comments.</p>	OTPA/ ONTP			
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 <u>cannabis flower from the weight of product sold to the average market rate of cannabis flower sold.</u> The average <u>market rate would be determined annually by the Department of Administrative and Financial Services.</u></p> <p>The bill <u>also decreases the excise tax on cannabis trim from \$94 per pound to \$25 per pound.</u></p>	OTPA	CO-T		

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			1/25				OTPA/ ONTP/ OTPA			
1454	1717			Chipman	An Act Regarding the Distribution of Revenue from the Real Estate Transfer Tax	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 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.	COR	CO-T		
		1/25	1/30				ONTP/ OTPA			
1538	142	5/10	5/17	Brenner	An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units	This bill <u>requires</u> <ol style="list-style-type: none"> 1. <u>reimbursement by the State to the taxpayer for up to 10 years</u> 2. <u>to an owner of single family or multifamily residence</u> 3. <u>of a percentage of property taxes paid due to an increase in the taxes (on value increase due to construction of ADU up to \$200,000)</u> 	COR	CO-T	MRS estimates Administration will require significant amount of State resources.	

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						<p>4. <u>ADU (accessory dwelling unit) defined as 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></p> <p><u>The percentage of reimbursement is 100% of the increase in PT in the first 5 years declining scale to 5% in the 10th year.</u></p> <p><u>MRS has identified several areas in the bill where clarification is needed.</u></p>				
			1/11/24				ONTP			
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 used on a parcel of land at least 10 acres in size to increase carbon storage or improve carbon conservation.</u></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</u></p>	COR	CO-T		

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						<p><u>DACF</u> to ensure that the habitat benefits provided by the land are not lost.</p> <p>This bill establishes specific criteria for <u>management plans</u>, 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.</p> <p>This bill <u>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>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.</p>				
			1/23 2/7			<u>At WS on 1/23/24 indicating that the nature of the bill was changing and that Interested parties trying to gather more information</u>	OTPA/ ONTP			
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	<p>This bill <u>amends the Maine Tree Growth Tax Law</u> by:</p> <ol style="list-style-type: none"> <u>increasing the acreage eligibility requirement from 10 to 25 acres of forested land beginning April 1, 2025.</u> <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 	COR	CO-T		

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						plans retained by a municipal assessor or the State Tax Assessor are confidential and not public records. MRS has technical concerns.				
			1/23				ONTP			
1737	2103	5/17	5/24 5/25 5/31	Hymes	An Act to Provide up to \$5,000 in Property Tax Relief to Veterans	<p>Current law provides</p> <ol style="list-style-type: none"> up to a \$6,000 exemption <u>in just value</u> 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; and up to \$50,000 for paraplegic veteran receiving veterans benefit for special accessible housing. <p>This bill provides a <u>complete exemption</u> 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>Sponsor description of proposed amendment:</p> <ol style="list-style-type: none"> <u>Veterans age 62+ will still have wartime provision, not dishonorably discharged and served at least 10 years (working on amount of exemption)</u> <u>Veterans under age 62 would be eligible if disabled. Amount of exemption would be based on % disability perhaps declining from \$50,000 to \$5,000 as % of disability declines to 60%</u> <u>Maximum exemption of total \$5,000 off of total property tax assessed on estate</u> <p>MRS has constitutional and administrative concerns</p> <p><i>(Details may need to be worked out.</i></p>	COR	CO-T		

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						<i>Sponsor working on basing exemption on valuation, rather than amount of taxes paid.</i>				
			1/11/24 1/23/24				Tabled OTPA/ ONTP			
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 from FAGI for purposes of 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		
			1/25/24				ONTP			
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 and STA</u> regarding several tax expenditures</p> <p>1. <u>Commissioner of DECD to TAX and IDEAB on Pine Tree Development Zones (PTDZ)</u> 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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						<p>2. <u>STA or local assessor?</u> to TAX and IDEAB to <u>on BETE</u></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>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 Program (contains report by STA to DECD and TAX and IDEAB Committees.</p> <p><u>BETE</u>: Current law reporting requirement not found. <u>OPEGA BETR/BETE TER report</u> 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. Reporting requirement not found. <u>OPEGA ETIF TER report</u> 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>				

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			1/30/24 2/14/24			<p>Sponsor submitted proposal for amendment in 1/11/24</p> <ol style="list-style-type: none"> 1. Add Dirigo Business Incentive Program 2. Add application date and timing of annual reports 3. Update Shipbuilding language 4. Include confidentiality exception provisions <p>Maine Revenue Services identifies several administrative concerns and need for statutory changes.</p>	OTPA			
1810	1684	5/9		Terry	An Act to Expand the Maine Historic Rehabilitation Credit and Establish a Weatherization Tax Credit	<p>This bill amends the IT credit for historic properties by</p> <ol style="list-style-type: none"> 1. <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> 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> 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> 4. <u>Increasing the increased tax credit for a certified affordable housing project from 30% to 45% of certified qualified rehabilitation</u> 	COR	CO-T	MRS estimates	<p>Admin costs \$33,000</p> <p>Revenue impact Not yet available</p>

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									FY24	FY25
						<p><u>expenditures if the taxpayer does not claim a credit under the Code, Section 47.</u></p> <p>5. The <u>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.</u> It requires the Director of Maine Historic Rehabilitation Commission to determine eligibility.</p> <p>6. . The bill <u>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>				
			1/24/24 2/14/24			<p>Proposed amendment provided by Maine Preservation (Tara Kelly) 5/9/23 testimony (red/black type)</p> <ul style="list-style-type: none"> • MRS identifies many administrative concerns • Needs application date • Sec. 6 of bill inconsistency • Clarification of year credit may first be claimed (placed in service) • Other technical changes for credit to be administrable. <p>NG recommendations</p> <ol style="list-style-type: none"> 1. Technicalities need to be addressed 2. Meet with MRS RE: technicalities 	OTPA/ ONTP			

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
						3. Address OPEGA report recommendations				
1873	1495	5/18	5/24	Brakey	An Act to Provide Heating Relief with Tax-free Home Energy Savings Accounts	<p>This bill establishes the Home Energy Savings Account Program, to be administered by FAME to allow individuals and married couples 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. Balances in an account carry forward each year.</p> <p>The 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.</p> <p>5/24 Consider Carryover</p>	COR	CO-T		
			1/25/24				ONTP/ OTPA			
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</p> <p>to permit certain entities to elect to pay Maine income tax at the entity level.</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>	COR	CO-T		

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									FY24	FY25
						<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</u> a child care facility licensed by the Department of Health and Human Services or to <u>contract with a child care facility</u> licensed by or registered with the department. <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>				
		1/25/	1/31/2 2/15/24					OTPA/ON TP		
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>The <u>revenue from the local option fee is distributed to the municipality imposing the fee.</u> Revenue received by a municipality from a local option fee imposed on short-term <u>may not be used to reduce or eliminate funding otherwise due to the municipality under other provisions of law.</u></p> <p>The local option fee <u>may not take effect before July 1, 2024.</u>(Date may need to be adjusted)</p>	COR	CO-T		

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									FY24	FY25	
		1/23	1/31			<p>General distinction between a tax and a fee: “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>Sponsor suggested amending bill 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>	ONTP				
1900	2209			Brakey	An Act to Establish a Tax Credit for Employers Who Employ Persons Recovering from Substance Use Disorder	<p>This bill provides for an <u>income tax credit for employers who:</u></p> <ol style="list-style-type: none"> <u>Employ persons recovering from substance use disorder who are completing or have successfully completed a substance use disorder treatment program certified by DHHS.</u> <u>DHHS is required to establish a certification process for employers.</u> 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 <u>available with respect to an employee who has been employed with the employer for at least 500 hours.</u> 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 <u>credit may not exceed \$2,000 for each eligible employee.</u> The credit <u>may be claimed only once per</u> 	COR	CO-T			

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									FY24	FY25
						employee. The credit is <u>further limited by a total allocation of credit of \$2,000,000 per year.</u> 6. Credit is <u>not refundable and may not be carried over.</u>				
		1/9/24	1/16				ONTP/ OTPA (fno)			
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		
							LVWD			
1974	818			Stewart	An Act to Reauthorize Maine's New Markets Tax Credit Program	<p>This bill amends the Maine New Markets Capital Investment Program and the new markets capital investment income tax credit 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 application process for community development entities recognized as Maine funds and diverse Maine funds 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 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.</p> <p>The effect of this change on the new markets capital investment tax credit is to shorten the time, from 24</p>	COR	CO-T		

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									FY24	FY25
						<p>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 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 2/14				1/30 not taken up			

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1999	2509			Terry	An Act to Ensure the Equitable Treatment of Military Retirement Plan Income	<p>CURRENT LAW: provides an exemption (subtraction modification) from state income tax for military retirement plan benefits.</p> <p>This bill provides, for tax years beginning on or after January 1, 2023, <u>a state income tax exemption (subtraction modification) for military retirement plan benefits that are included in a federal retirement plan.</u> Intent is to include the portion of civil federal retirement plan benefits that are attributable to military service.</p>	COR	CO-T		
		1/9/24	1/16/24							
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</p>	COR	CO-T		

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									FY24	FY25
						tangible personal property by rental and leasing companies prior to January 1, 2024. 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.				
		1/16	1/31 2/27 3/19			MRS testified that Administration supports the provisions and may include them in the budget. Some technical changes are needed.	OTPA/ ONTP			
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. <u>Current excise tax:</u> Maker's average equipped price multiplied by: 9 mills first year 7 mills second year 5 mills third year 4 mills fourth year 3 mills fifth and succeeding years	COR	CO-T		
		1/9/24	1/16/24 1/23/24				ONTP			
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 a reduction in its state valuation because of a sudden and severe disruption of valuation and that uses money from undesignated fund balances does not reduce the amount of money that municipality receives in state-municipal revenue sharing.	COR	CO-T		
		1/9/24	1/16/24				OTPA			

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									FY24	FY25
LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT ²	
									FY24	FY25
2022	2702	2/13	2/27 3/14	Grohoski	An Act Updating References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	<p>MRS annual income tax conformity bill:</p> <p>This bill <u>updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986, as amended through December 31, 2023</u>, for tax years beginning on or after January 1, 2023 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended</p> <p>Bill held for information regarding potential changes in federal law.</p>	OTP			
2023	2703	2/8/24	2/8	Grohoski	An Act to Make Technical Changes to Maine's Tax Laws	<p>MRS annual bill to make technical changes i the tax laws:</p> <p><u>Part A makes changes to the property tax and benefit programs laws.</u> Part A:</p> <ol style="list-style-type: none"> 1. Updates outdated terms referencing municipalities and municipal officers; 2. Removes and replaces gender-specific language; 3. Corrects a conflict created by Public Law 2023, chapters 360 and 412, which affected the same provisions of law, by combining the provisions; 4. Removes an obsolete reference to an application and instructions in the law governing the sale of tax-acquired properties since they are no longer required; and 		OTP		

² . 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
						<p>5. Makes other technical and grammatical changes to the laws affecting Maine property tax.</p> <p><u>Part B makes changes to the income tax law.</u></p> <p>1. Includes the United States Space Force in references to the United States Armed Forces;</p> <p>2. Corrects a cross-reference in the law regarding the property tax fairness credit maximum benefit base;</p> <p>3. Clarifies that payment of taxes for a short taxable year must be made in accordance with existing due dates for estimated tax installments that fall within the short taxable year;</p> <p>4. Updates language in the law governing information returns to be consistent with state statutes and rules; and</p> <p>5. Makes other technical and grammatical changes to the laws affecting Maine income tax</p>				
2024	2806	2/8/24	2/8	Grohoski	Resolve, to Authorize the State Tax Assessor to Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	MRS annual bill to authorize the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired for nonpayment of property tax.	OTPA fno			
2027	2653	2/6/24	2/27	Reny	An Act to Clarify the Property Tax Exemption for Air Pollution Control Facilities	<p>This bill specifies that a facility that stores spent nuclear fuel or radioactive waste classified by the United States Nuclear Regulatory Commission as greater-than-Class C waste may not be considered an air pollution control facility for purposes of eligibility for an exemption from property taxation.</p> <p>This bill also corrects a cross-reference.</p> <p>This bill applies retroactively to property tax years beginning on or after April 1, 2022 and to any actions or proceedings pending at the time of passage of the bill.</p>	OTPA/ ONTP		<p>MRS Estimate</p> <p>No State fiscal impact</p>	

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2028	2807	2/8/24	2/8	Grohoski	An Act to Amend Certain State Tax Laws	<p>Annual MRS bill to mend tax laws</p> <p>Part A <u>Clarifies the circumstances under which a taxpayer who has delinquent taxes on multiple residential properties is disqualified from the homestead property tax deferral program.</u></p> <p>Part B makes changes to the <u>state sales tax and tobacco products tax law.</u></p> <p>1. <u>Removes the Tourism Marketing Promotion Fund, the Multimodal Transportation Fund and the ATV Recreational Management Fund transfers from revenue subject to transfer to the Passamaquoddy Sales Tax Fund, the Penobscot Sales Tax Fund and the Maliseet Sales Tax Fund, thereby preventing more than 100% of the revenue from being transferred out of the General Fund; and</u></p> <p>2. <u>Clarifies the tobacco products tax definition of "tobacco products" as including any product that contains nicotine.</u></p> <p>Part C makes changes to the state income tax and insurance premiums tax law.</p> <p>1. <u>Updates the calculation of payments made to the Brunswick Naval Air Station Job Increment Financing Fund for businesses that are also part of the Maine Employment Tax Increment Financing Program to correspond with recent law changes switching the employment tax increment financing base from withholding to a percentage of incremental gross wages; and</u></p> <p>2. <u>Generally aligns the insurance premiums tax estimated tax payment due dates and amounts with those of the corporate income tax and makes other nonsubstantive changes to clarify the law.</u></p>	OTPA/ OTPA			

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									FY24	FY25
2048	2695	2/13	2/27	Perry	An Act to Amend the Content of Notices Provided with Respect to Tax Liens on Certain Property	This bill <u>removes a provision in the laws governing tax liens that requires</u> a municipality, or the State Tax Assessor in the case of an unorganized territory, to place language in a <u>notice of lien</u> on a property on which a homestead exemption is claimed that the taxpayer may contact the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection regarding <u>options for finding an advisor to assist the taxpayer in working with the taxing entity to avoid tax lien foreclosure.</u>	OTPA/ ONTP		Preliminary fiscal impact Statement No fiscal impact	
2076	2852	2/6/24	2/20	Lemelin	An Act to Exempt from Excise Tax Vehicles of Active Duty Service Members Stationed Out-of-state	<u>Current law</u> provides an <u>excise tax exemption</u> from the excise tax imposed on motor vehicles owned by <u>a person on active duty serving in the United States Armed Forces who is stationed in Maine.</u> This bill <u>expands eligibility</u> by amending the provision of law establishing the exemption to <u>include a person on active duty stationed outside the State or who is deployed for more than 180 days.</u> It further amends the exemption to <u>include members of the National Guard and the Reserves of the United States Armed Forces.</u> Finally, the bill <u>repeals the provision of law that establishes a local option for municipalities to pass an ordinance offering the exemption established by the bill.</u>	OTPA			
2102	2929			Pierce	An Act to Support Municipalities by Repealing the Law Limiting the Municipal Property Tax Levy	This bill repeals the law limiting the municipal property tax levy	REREFER to SLG			

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2106	2772	1/24	2/13	Rotundo	An Act to Accelerate the Production of Affordable Housing and Strengthen the Historic Property Rehabilitation Tax Credit	<p>This bill increases from \$5,000,000 to \$10,000,000 the maximum tax credit allowed for certified historic property rehabilitation projects.</p> <p>It also allows nonprofit organizations that claim the historic preservation tax credit or the affordable housing tax credit to file their refund claims on a calendar year basis.</p> <p>The changes in the bill apply to tax years beginning on or after January 1, 2024.</p> <p>MRS has technical concerns</p>	OTPA/ ONTP		<p>MRS ESTIMATE</p> <p>Increase in maximum tax credit: \$2,500,000</p> <p>Nonprofit provisions: Unclear</p>	
2111	2694	2/7/24	2/7	Timberlake	An Act Regarding the Timeline for Property Tax Abatement Based on Hardship or Poverty	<p>This bill <u>aligns the deadline for filing an application for property tax abatement based on hardship or poverty</u>, which, under current law, may be filed up to 3 years from the date of commitment, <u>with the timeline of the foreclosure process, in which liens automatically foreclose 18 months from the date of filing</u> by the municipality of a tax lien foreclosure certificate in the registry of deeds.</p>	ONTP			
2143	2894	2/6/24	2/20	Warren	An Act to Dedicate the Revenue from the Sales Tax on Electricity to Low-income Ratepayer Assistance	<p>This bill, beginning 10/1/24, <u>dedicates the revenue from the sales tax on the sale of electricity as certified by the STA</u> to the Low-Income Assistance Program administered by the Maine State Housing Authority <u>to help low income homeowners and renters pay for electricity costs by providing a credit on the homeowners' and renters' electric bills.</u></p> <p>The bill <u>does not affect the current exemptions from sales tax for certain residential and manufacturing electricity uses.</u></p>	OTPA/ OTPA			
2144		2/7/24	2/7	Russell, R.	An Act to Provide Property Tax Relief by Increasing the Availability	<p>Current law: <u>A portion of Social Security benefits and railroad retirement benefits may be included in federal taxable income if you file as an individual</u></p>	OTPA/ ONTP			

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									FY24	FY25
					of the Property Tax Fairness Credit	<p>and your total income is over \$24,000 or you file married joint and your combined income is over 32,000.</p> <p>One of the <u>factors in determining a person's property tax fairness credit is the persons income including Social Security and railroad retirement benefits included in federal adjusted gross income.</u></p> <p>This bill <u>amends the property tax fairness credit to increase, for tax years beginning in 2024 or after, the amount of the credit available to certain residents by excluding from the definition of "income," which is used in determining the amount of the tax credit, payments received under the federal Social Security Act and railroad retirement benefits if those payments or benefits are included in federal adjusted gross income.</u></p>				
2162	2718	2/7/24	2/21	Ankeles	An Act Regarding the Homestead Property Tax Exemption and the Property Value Reassessment Process	<p>This bill <u>provides an additional homestead property tax exemption of \$15,000 for a homestead with an assessed value of less than \$100,000.</u></p> <p>The bill also <u>amends the laws relating to the current use valuation of working waterfront land for property tax purposes.</u></p> <ul style="list-style-type: none"> • It amends the <u>definition of "working waterfront land"</u> and makes changes to the <u>calculation of current use valuation for certain types of working waterfront land.</u> • It allows a <u>delay of the withdrawal penalty payment if the property owner is affected by certain conditions</u> that affect the ability of the property owner to pay a penalty assessed for withdrawal of working waterfront land from current use valuation. • It also <u>directs the State Tax Assessor to create an information bulletin regarding current use laws that apply to working waterfront lands</u> 	OTPA	not reported out?		

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									FY24	FY25
						that include any changes made to the current use laws after December 31, 2023.				
2198	2945	2/20	2/27	Talbot Ross	An Act to Remove the Exemption from Sales and Use Tax for Automobiles Purchased for Use as Rentals	This bill removes the exclusion from the definition of "retail sale" for the purposes of the sales and use tax laws for the sale, to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented for a period of less than one year.	OTPA/ ONTP			
2207	3076			Perry	An Act to Establish Municipal Cost Components for Unorganized Territory Services to Be Rendered in Fiscal Year 2024-25	This bill establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.	OTPA			
2251	3119	3/12	3/14	Perry	An Act to Amend the Mining Excise Tax Laws	<p>This bill makes changes to the mining excise tax as recommended by a report to the Committee by the Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy, as required by Resolve 2023, chapter 83, section 1 including <u>providing a sales tax exemption for sales to a mining company for use in mining.</u></p> <p><u>The bill also:</u></p> <p>1. <u>Simplifies the excise tax imposed on a mining company</u> by establishing a formula of the gross proceeds of that mining company multiplied by 0.35 and eliminating credits for payment of certain property taxes and prepayment of taxes;</p> <p>2. <u>Renames the Mining Oversight Fund the Mining Excise Tax Fund and simplifies the distribution of excise tax revenues by requiring all revenue to be deposited in the Mining Excise Tax Fund,</u> instead of being split between the General Fund, the Mining Excise Tax Trust Fund and the Mining Impact Assistance Fund;</p>	OTPA/ ONTP		<p>Current mining excise tax has raised no revenue because there has been no mining in Maine that was subject to the tax.</p> <p>MRS indicates</p> <ol style="list-style-type: none"> revenue will depend on the amount of taxable mining activity which is difficult to project. Administrative costs under review. 	

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						<p>3. <u>Eliminates the Mining Impact Assistance Fund, which is used to provide grants to municipalities, counties and the unorganized territory to offset the loss of property tax revenue and to provide necessary new or additional public facilities and services related to mining; and</u></p> <p>4. <u>Requires the Governor to propose uses for the Mining Excise Tax Fund as part of the biennial budget.</u></p> <p><u>Concerns:</u></p> <p>1. <u>Typo in tax rate</u> (page 2, line 22) says tax is gross proceeds multiplied by 0.35 (35%). Intent was 0.035 (3.5%).</p> <p>2. MRS recommends simplification of tax (MRS testimony p. 3 bullet points.</p> <ol style="list-style-type: none"> a. Allignment with Title 38 mining definitions b. Rely on BETE rather than more complicated provisions (MRS preparing amendment) c. New STE for products used in commercial mining (MRS preparing amendment) <p>3. Concern for use of revenue. Bill Some nterest in including Land for Maine’s Future.</p>				
2256	3009			Pluecker	An Act to Provide Emergency One-time Relief from the Wild Blueberry Tax for Growers in Maine	<p style="text-align: center;"><u>Referred to ACF 3/6</u></p> <p>Current law imposes a tax at the rate of 1.5 cents per pound on wild blueberries shipped or processed in the State; 1/2 of the tax is paid by the seller and 1/2 of the tax is paid by the processor or the shipper. This bill exempts sellers of blueberries harvested in the State from the imposition of the blueberry tax for the 2024 calendar year, which will result in a tax of 0.75 cents per pound on processors and shippers for blueberries harvested in the State. Processors and shippers continue to be responsible for</p>				

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									FY24	FY25
						collecting and paying the tax on blueberries harvested outside the State.				
2258	2856			President Jackson	An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility to Keep the Team in the State	This bill provides an <u>income tax credit</u> for 1. <u>a qualified investment of at least \$1,000,000 but no more than \$15,000,000</u> 2. <u>by a certified applicant</u> 3. <u>in a qualified professional baseball facility in the State.</u> 4. <u>The certified applicant must continue operations as a professional baseball facility for at least 60 months following the investment for which the tax credit is issued.</u>	OTPA/ ONTP			
2262	3134		3/19	Perry	An Act to Amend the Process for the Sale of Foreclosed Properties Due to Nonpayment of Taxes	This bill is reported out by the Joint Standing Committee on Taxation. It is the <u>recommendation of the Working Group to Study Equity in the Property Tax Foreclosure Process pursuant to Public Law 2023, chapter 358.</u> This bill amends the process following the foreclosure on a property by a municipality for failure to pay property taxes and the return of excess funds by: 1. <u>Requiring a municipality to make 3 attempts to contract with a real estate broker for the sale of the property;</u> 2. <u>Requiring that a real estate broker attempt to sell the property for 6 months before the municipality can sell the property in a manner authorized by the municipality's legislative body;</u> 3. <u>Eliminating the requirement that the former owner submit a written demand for the return of the excess funds;</u>	OTPA			

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
						<p>4. Allowing a <u>municipality to deduct from the proceeds of the sale</u>, in addition to the other costs authorized under current law,</p> <p>a. fees incurred for advertising,</p> <p>b. mailing and recording related to the property and</p> <p>c. expenses incurred in improving the property;</p> <p>5. <u>Requiring a municipality, at least 30 days prior to the disbursement of excess proceeds to the former owner, to provide notice of such intent to the former owner and each record holder of an interest in the property.</u> The notice must be made by certified mail, return receipt requested;</p> <p>6. Requiring the municipality, <u>if municipality is unable to locate the former owner, to have published in a newspaper of general circulation in the county in which the property is located, a notice specifying the former owner, a description of the property sold, the amount of the excess proceeds and the date by which the proceeds must be claimed;</u> and</p> <p>7. Requiring the municipality, <u>within 10 days of paying the excess proceeds to the former owner, to record in the registry of deeds a notice indicating the payment of the excess proceeds, to whom the payment was made, the date of the payment, a description of the property sold and a statement that the former owner waived, by accepting the excess proceeds, the right to commence an action to dispute the taking of the property.</u></p>				
2279	3077			President Jackson	An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to Be Eligible for Certain Sales Tax Exemptions and Refunds	This bill provides that commercial haulers of forest products are eligible for the sales tax exemption for purchases of electricity, fuel and depreciable machinery and equipment, including trucks, truck tractors and trailers. It also provides that to be eligible for the sales tax exemption for purchases of electricity, fuel and depreciable machinery and				

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						equipment for use in commercial wood harvesting, a person, employer or employing unit must make contributions or be eligible to receive benefits under the laws governing unemployment compensation.				