

STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

August 2017

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Joint Standing Committee on Taxation

LD 16 An Act To Exempt Certain Individuals Who Are 70 Years of Age or Older from Maine Income Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FOLEY R COLLINS R	ONTP	

This bill provides a 100% income tax exemption for a retired individual who is 70 years of age or older. An individual is considered retired if the individual works fewer than 20 hours per week, receives less than \$10,000 compensation for the year and receives Social Security benefits or a pension from employment not covered by Social Security benefits.

LD 26 An Act To Lower the Maine Motor Vehicle Excise Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R COLLINS R	ONTP	

This bill reduces motor vehicle excise tax mill rates by 10% each year beginning with 2018 registration years until the rates reach 50% of the current rates in 2022 and subsequent years.

See also LD 707 and LD 1521.

LD 27 An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TURNER B CYRWAY S	OTP-AM	H-100

This bill provides a sales tax exemption to parent-teacher organizations organized as public benefit corporations.

Committee Amendment "A" (H-100)

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 72 An Act To Clarify the Tax Laws for Title to Real Estate by Releasing Inheritance Tax Liens PUBLIC 16

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M KATZ R	OTP	

This bill releases a lien on real property for inheritance tax resulting from a death occurring before July 1, 1986, when the inheritance tax was replaced by the estate tax.

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Enacted Law Summary

Public Law 2017, chapter 16 releases liens on real property for inheritance tax resulting from deaths occurring before July 1, 1986, when the inheritance tax was replaced by the estate tax.

LD 73 An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MASTRACCIO A VITELLI E	ONTP OTP-AM	

This bill raises the homestead property tax exemption to \$50,000 for persons who are 75 years of age or older and claimed the homestead as a permanent residence for 10 or more years. The bill requires the State to reimburse municipalities for 100% of the property taxes lost as a result of the increase in the exemption.

Committee Amendment "A" (H-230)

This amendment, which is the minority report of the Committee, makes technical corrections to facilitate administration of the increased homestead property tax exemption of persons who are at least 75 years of age. It also provides funding to reimburse municipalities for revenue lost due to the increase in the homestead property tax exemption.

This amendment was not adopted.

LD 74 An Act To Realign the State-Municipal Revenue Sharing Distribution **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MASTRACCIO A WOODSOME D	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to realign the percentage of revenue from the sales and use taxes, the service provider tax and the income taxes that is transferred monthly from the General Fund to the Local Government Fund under state-municipal revenue sharing.

See also LDs 133, 492, 875 and 1227.

LD 75 An Act To Provide a Sales Tax Exemption for Materials and Equipment That Enable Older Persons and Persons with Disabilities To Remain in Their Homes **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SPEAR J MIRAMANT D	ONTP	

This bill provides a sales tax exemption for materials and equipment determined by the Maine State Housing Authority to enable homestead accessibility for an individual who is 75 years of age or older or an individual with a

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disability or physical hardship to permit the individual to remain in the individual's home.

LD 76 An Act To Exempt Diapering Products from the Sales Tax Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D CUSHING A	ONTP OTP-AM	

This bill provides a sales tax exemption for disposable and reusable diapers for children, diaper covers and wraps that are used with reusable diapers and diaper pins.

Committee Amendment "A" (H-231)

This amendment, which was the minority report, adds an effective date of October 1, 2017.

This amendment was not adopted.

LD 77 An Act To Exempt from Maine Income Tax Income Earned by Members of the Armed Services While on Active Duty ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ESPLING E	ONTP	

This bill provides an income tax exemption for military compensation for active duty service by members of the armed forces of the United States when that service is performed within the State. Military compensation for service performed outside of the State is currently exempt from taxation.

LD 79 An Act To Provide a Sales Tax Exemption for Career and Technical Student Organizations CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LANGLEY B POULIOT M	OTP-AM	S-27

This bill provides a sales tax exemption to nonprofit career and technical education student organizations recognized by the Department of Education.

Committee Amendment "A" (S-27)

This amendment provides one-time funding for programming costs to implement the sales tax exemption.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

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LD 82 An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DIAMOND B COREY P	ONTP OTP-AM	S-94

This bill provides a complete property tax exemption in the municipality of residence for a veteran receiving benefits based on a rating of 100% for a service-connected disability.

Committee Amendment "A" (S-94)

This amendment requires the State to reimburse municipalities for 100% of the property tax revenue loss as a result of the property tax exemption provided by the bill to veterans for a service-connected disability. The amendment also adds an appropriations and allocations section to cover the costs of reimbursement and state-mandated administrative costs.

LD 91 An Act To Provide an Income Tax Credit for Retailers Collecting Sales Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS P BLACK R	ONTP	

This bill provides an income tax credit of \$100 for retailers who collect, report and remit to the State more than \$1,000 in sales tax during the tax year.

LD 116 An Act To Increase Funding for Multimodal Transportation

**Died Between
Houses**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOLDEN J	OTP-AM ONTP	

This bill increases the sales tax on short-term rentals of automobiles, small trucks and vans from 10% to 15% to provide funding for multimodal transportation. The increase takes effect October 1, 2017.

Committee Amendment "A" (H-101)

This amendment, which was the majority report, was accepted by the House of Representatives. The amendment changes the proposed rate of sales tax on short-term rentals of automobiles, small trucks and vans to 12%. The amendment also adds an appropriations and allocations section.

This amendment was not adopted.

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LD 117 An Act To Strengthen the Farm and Open Space Tax Law

PUBLIC 183

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ALLEY R MAKER J	OTP-AM	H-229

This bill provides that a landowner with acreage classified under the farm and open space tax law who wishes to add contiguous acreage to a previously classified acreage must demonstrate to the assessor that the additional acreage separately meets the definition of "farmland" that is eligible for classification.

Committee Amendment "A" (H-229)

This amendment strikes the bill and amends the definition of "farmland" to provide that, for purposes of classification as farmland under the farm and open space tax law, a parcel of land that is located on an island may not be considered contiguous to another parcel of land that is not located on the same island if the parcels of land are separated by water at the normal high-water mark or high tide.

Enacted Law Summary

Public Law 2017, chapter 183 amends the definition of "farmland" under the farm and open space tax law to provide that, for purposes of classification under that law, a parcel of land that is located on an island may not be considered contiguous to another parcel of land that is not located on the same island if the parcels of land are separated by water at the normal high-water mark or high tide.

LD 133 An Act To Support Lower Property Taxes by Restoring State-Municipal Revenue Sharing

Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BELLOWS S MADIGAN J	OTP-AM ONTP OTP-AM	

Current law reduces the amount transferred to the Local Government Fund for state-municipal revenue sharing from 5% of the revenue base to 2% for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19. This bill gradually restores the percentage of the revenue base transferred for state-municipal revenue sharing by increasing the percentage transferred to the Local Government Fund to 3% for fiscal year 2017-18 and to 4% for fiscal year 2018-19. Following fiscal year 2018-19, the percentage of state-municipal revenue sharing returns to 5% of the revenue base.

Committee Amendment "A" (S-317)

This amendment incorporates a fiscal note.

This amendment was not adopted.

Committee Amendment "B" (S-318)

This amendment removes language from the bill increasing the percentage of the tax base transferred for state-municipal revenue sharing from 2% to 3% in fiscal year 2017-18 and 4% in fiscal year 2018-19. The amendment instead increases that percentage from 2% in fiscal year 2016-17 to 2.5% in fiscal year 2020-21 and maintains that percentage in subsequent years.

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This amendment was not adopted.

See also LDs 74, 492, 875 and 1227.

LD 204 An Act To Exempt Veterans with ALS from the Excise Tax on Automobiles ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAUGHTRY M CARSON B	ONTP	

This bill exempts from motor vehicle excise tax an automobile owned by a veteran who has been diagnosed with amyotrophic lateral sclerosis.

LD 205 An Act To Exempt Certain International Athletic Competition Prizes from Maine Income Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ORDWAY L MAKER J	ONTP	

This bill provides an income tax exemption for prizes awarded as the result of competition in certain international athletic contests.

LD 206 An Act To Exempt Feminine Hygiene Products from Sales Tax Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL R BREEN C	OTP-AM ONTP	H-196

This bill provides a sales tax exemption on the purchase of feminine hygiene products.

Committee Amendment "A" (H-196)

This amendment, which is the majority report, adds an effective date of October 1, 2017.

LD 235 An Act To Repeal the Service Provider Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAKEY E	ONTP	

This bill, which is presented "by request," repeals the service provider tax effective October 1, 2017.

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**LD 289 An Act To Extend the Veteran Property Tax Exemption to Veterans Who
Have Served on Active Duty**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S	OTP-AM OTP-AM ONTP	H-232

This bill removes the requirement that a veteran must have served during a federally recognized war period to be eligible for a property tax exemption, thereby making the exemption available to all veterans of the Armed Forces of the United States who are 62 years of age or older or have qualifying disabilities. This bill does not change the amounts of the exemption or other qualifying conditions.

Committee Amendment "A" (H-232)

This amendment, which is the majority report, adds a General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for state mandated administrative costs associated with implementing this property tax exemption and includes a fiscal note indicating the amount required in the next biennium for constitutionally mandated reimbursement to municipalities of 50% of the revenue loss attributable the expansion of the exemption.

Committee Amendment "B" (H-233)

This amendment, which is a minority report, requires the State to reimburse municipalities for 100% of the property tax revenue loss as a result of the extension of the veterans' property tax exemption to veterans who did not serve during a federally recognized war period. This amendment also adds a General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for state-mandated administrative costs associated with implementing this property tax exemption.

This amendment was not adopted.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 290 An Act To Phase Out the Insurance Premium Tax on Annuities

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHACE P CUSHING A	OTP-AM	H-282

This bill phases out the insurance premium tax on annuity considerations over four years beginning in 2018. Annuity considerations become no longer subject to insurance premium tax beginning in 2021.

Committee Amendment "A" (H-282)

This amendment provides that premiums on annuities are subject to premium tax during the phase-out period proposed in the bill at the prescribed rate only if the insurer credits the savings from the rate reduction to annuity holders. The amendment clarifies that certain deductions related to annuities may be deducted only from annuity considerations for tax periods beginning on or after January 1, 2018. The amendment also provides one-time funding to the Department of Administrative and Financial Services to adjust the premium tax return.

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LD 291 An Act To Maintain the Income Tax Rate on Persons with Taxable ONTP
Income above \$200,000

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL R VOLK A	ONTP	

This bill decreases the highest marginal income tax rate imposed on resident individuals on taxable income in excess of \$200,000 from 7.15% to 4.15% in recognition of the 3% surcharge on income exceeding \$200,000 which was approved by referendum.

See also LDs 337, 571, 708, 829 and 851.

LD 311 An Act To Eliminate Corporate Welfare and Provide Tax Relief ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAKEY E	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to eliminate certain corporate tax expenditures and use the savings to reduce the individual income tax rates.

LD 330 An Act To Provide an Income Tax Credit for Employer Contributions to ONTP
Section 529 Qualified Tuition Programs

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KORNFIELD T GRATWICK G	ONTP	

This bill provides an income tax credit to an employer that makes up to \$1,000 in matching contributions on behalf of an employee to a qualified tuition program, sometimes referred to as a college savings program, established by the employee under Section 529 of the federal Internal Revenue Code.

LD 337 An Act To Protect Jobs and the Maine Economy by Eliminating the 3% Died On
Income Tax Surcharge Imposed on Certain Mainers and the Fund To Adjournment
Advance Public Kindergarten to Grade 12 Education

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STETKIS J DAVIS P	ONTP OTP-AM	

This bill repeals the provisions establishing the Fund to Advance Public Kindergarten to Grade 12 Education and the income tax surcharge of 3% imposed on taxable income of \$200,000 or more, which is the source of revenue for the fund.

Committee Amendment "A" (H-562)

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This amendment provides that the repeal of the 3% income tax surcharge in the bill applies to tax years beginning on or after January 1, 2017.

This amendment provides one-time funding to the Department of Administrative and Financial Services, Bureau of Revenue Services to mail revised withholding schedules.

This amendment was not adopted.

See also LDs 291, 571, 708, 829 and 851.

The provisions of this bill were enacted in Part D of the biennial budget, LD 390, summarized under the Joint Standing Committee on Appropriations and Financial Affairs.

LD 338 An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCLEAN A	ONTP OTP	

This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.

LD 368 An Act To Welcome Statewide Economic Investment **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERIN S VOLK A	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to provide tax incentives for new economic investment made by businesses whose income is currently taxed at lower rates due to offshore investment of that income when those business repatriate income to the United States.. This bill would offset federal taxes paid on repatriated income with state and local property tax, income tax and employment tax reductions. The offset of taxes would be reduced over a 10-year period by an amount equal to federal taxes paid at an assumed tax rate of 10%. The offset would be allowed for capital invested in business expansion, new equipment purchases, historic property or brownfield redevelopment, new job creation or job retraining for any jobs the investment causes to be displaced. A business qualifying for the incentives would be required to commit to fulfilling the terms of an incentive plan for a period of time double to that of the length of time the incentives are provided.

LD 442 An Act To Create a Family Caregiver Income Tax Credit **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS P		

This bill provides an income tax credit of up to \$2,500 for certain uncompensated eligible expenditures incurred by

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a family caregiver for the care and support of an eligible family member 18 years of age or older.

Eligible expenditures include the improvement of or alteration to the caregiver's primary residence to permit the eligible family member to remain mobile, safe and independent in the home and community; the caregiver's purchase or lease of equipment necessary to assist the eligible family member in carrying out one or more activities of daily living; and costs incurred to assist the caregiver to provide care to an eligible family member, such as expenditures related to hiring a home care aide, respite care, adult day care and transportation and for technology to assist the family caregiver to care for the eligible family member.

To be eligible for the tax credit, a family caregiver claiming the credit must have a federal adjusted gross income of less than \$75,000 if filing as a single individual or a married person filing separately and \$150,000 if filing as a head of household or on a married joint return.

An eligible family member must require assistance with at least one activity of daily living, as certified by a qualified licensed health care practitioner, and qualify as a dependent of, spouse of, registered domestic partner of, parent of or other relation by blood or marriage to the family caregiver or a registered domestic partner of the family caregiver.

The amount of the credit is equal to the eligible expenditures incurred by the eligible caregiver during the taxable year up to a maximum of \$2,500.

This bill was carried over to any special or regular session the of the 128th Legislature by joint order, H.P. 1138.

LD 492 An Act To Restore Revenue Sharing

ONTP

Sponsor(s)

TEPLER D
LIBBY N

Committee Report

ONTP

Amendments Adopted

This bill reverts the percentage of state-municipal revenue sharing from 2% of the tax base to 5% beginning October 1, 2017, but then requires a fixed portion of that amount to be transferred to the General Fund beginning in fiscal year 2017-18 and fiscal year 2018-19.

See also LDs 74, 133, 875 and 1227.

LD 493 An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs

Accepted Majority (ONTP) Report

Sponsor(s)

MELARAGNO G

Committee Report

ONTP
OTP-AM

Amendments Adopted

This bill creates an excise tax of 1¢ per 25 gallons of groundwater or surface water extracted from springs or other underground sources in this State by a bottled water operator that extracted more than 1,000,000 gallons in the previous calendar year if the water is packaged for sale. The revenues from the tax are transferred to a newly created Maine Water Quality Testing and Monitoring Fund to be administered by the Department of Environmental Protection. Of the money transferred, 85% will support well water testing and 15% will support lake water quality monitoring and support.

Committee Amendment "A" (H-239)

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This amendment, which is the minority report, clarifies the administrative provisions for collection of the water excise tax and changes the distribution of revenues to provide that 10% must support lake water quality monitoring activities and that 5% must be used for well water remediation. The amendment provides that the tax first applies to bottled water operators that extracted more than 1,000,000 gallons of water in this State in calendar year 2016. The amendment also provides funding for a position in the Department of Environmental Protection.

This amendment was not adopted.

LD 513 An Act To Increase the Maximum Pension Deduction for State Income Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BELLOWS S DOORE D	OTP-AM OTP-AM	S-119

This bill provides a complete income tax exemption for retirement benefits under state, local or federal government retirement plans that are based on employment compensation for which contributions are not made to the federal Social Security system.

Committee Amendment "A" (S-118)

This amendment, which is the majority report, provides that the maximum income tax deduction for a retired individual receiving retirement benefits under a retirement plan based on employment compensation for which contributions are not made to the federal social security system is equal to the maximum annual social security benefit that may be received by a person retiring at 66 years of age in January of the applicable year.

This amendment was not adopted.

Committee Amendment "B" (S-119)

This amendment, which was the minority report, increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from \$10,000 to \$35,000 over a five-year period beginning with the 2017 tax year. The \$35,000 pension deduction amount that applies after 2021 is subject to an annual inflation adjustment.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 541 An Act Regarding the Commercial Forestry Excise Tax

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HICKMAN C MAKER J	OTP-AM ONTP	

This bill strikes the formula for calculation of the commercial forestry excise tax based on the cost of forest fire protection and the number of acres of commercial forest land subject to the tax and replaces it with a tax of 26¢ per acre of commercial forest land.

Committee Amendment "A" (H-171)

This amendment, which was the majority report, replaces the bill and repeals the commercial forestry excise tax.

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Following discovery that the amendment had been incorrectly labeled as the minority report, this bill was referred back to committee.

This amendment was not adopted.

Committee Amendment "B" (H-385)

This amendment, which was the majority report, replaces the bill and repeals the commercial forestry excise tax. This amendment is the same as Committee Amendment "A," (H-171), except that a labeling error in (H-171) was corrected and Committee Amendment "B" is correctly identified as the majority report.

This amendment was not adopted.

LD 571	An Act To Eliminate the 3 Percent Surcharge on Certain Income and Provide an Alternative Funding Source for the Fund To Advance Public Kindergarten to Grade 12 Education	Died On Adjournment
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOW D WARD K		

This bill is a concept draft pursuant to Joint Rule 208.

The bill proposes to eliminate the 3% surcharge imposed on individual income over \$200,000, which is imposed to fund the Fund to Advance Public Kindergarten to Grade 12 Education. Instead, this bill would supplant the revenue from the surcharge with two alternate sources:

1. All of the revenue from the tax imposed on the sale of recreational marijuana products, except for the amount retained for training law enforcement personnel on marijuana-related laws and rules; and
2. All surplus revenue generated by growth in the Maine economy up to the amount needed by the State to meet its obligation of funding 55% of public education from kindergarten to grade 12.

The committee voted to carry this bill over to the next regular session; however, that request was not approved by the presiding officers, and the bill was removed from the Committee pursuant to Joint Rule 309. The bill died in the possession of the Senate.

See also LDs 291, 337, 708, 829 and 851.

LD 583	An Act To Improve the Tax Appeal Process for Maine Businesses and Consumers	PUBLIC 257
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N STANLEY S	OTP-AM	S-227

This bill expands the tax appeals process for taxpayers by permitting purchasers from whom sales tax or service provider tax has been collected to request a refund from the State Tax Assessor when taxes have been collected erroneously or illegally and the retailer or service provider has not refunded the tax. The bill also permits a person appealing a reconsideration determination to request the legal basis of the determination.

Committee Amendment "A" (S-227)

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This amendment requires a person requesting a refund of sales and use tax to submit an affidavit to the State Tax Assessor stating that a refund or credit has not been and will not be requested from the retailer. The requirement applies to pending reconsiderations and administrative appeals. The amendment also revises the process for a customer of a service provider to obtain a refund or credit of tax that was erroneously or illegally computed.

Enacted Law Summary

Public Law 2017, chapter 257 requires a person requesting a refund of sales and use tax to submit an affidavit to the State Tax Assessor stating that a refund or credit has not been and will not be requested from the retailer. The requirement applies to pending reconsiderations and administrative appeals. Chapter 257 also revises the process for a customer of a service provider to obtain a refund or credit of tax that was erroneously or illegally computed.

LD 620	An Act To Restore the Tax Deduction for Contributions to College Savings Accounts	Accepted Majority (ONTP) Report
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M DOW D	ONTP OTP-AM	

This bill restores an income tax deduction that was repealed in 2015 for contributions to a qualified tuition program established under Section 529 of the United States Internal Revenue Code of 1986 and sets the deduction at a maximum of \$1,000 annually per designated beneficiary. The change applies to tax years beginning on or after January 1, 2017.

Committee Amendment "A" (H-102)

This amendment, which is the minority report, reduces the maximum contribution that qualifies for a deduction to \$250 per designated beneficiary. This was the maximum contribution allowed when the deduction was repealed in 2015. The amendment also adds an appropriations and allocations section.

This amendment was not adopted.

LD 621	An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R JACKSON T	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to recruit and retain professionals in Maine by:

1. Creating or enhancing certain income tax credits, such as the dental care access credit and the primary care access credit, which provide an income tax credit for dentists and medical professionals practicing in an underserved area of the State; and
2. Creating or enhancing loan and loan forgiveness programs, such as the Educators for Maine Program and the Health Professions Loan Program, which provide loans to students in the areas of education or health who then agree to complete a certain length of service in Maine in return for forgiveness of those loans.

See also LD 1287.

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LD 664 An Act To Exempt Gold and Silver Coins and Bullion from Sales Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAKEY E LONGSTAFF T	ONTP	

This bill provides a sales tax exemption for sales of gold and silver coins and bullion.

LD 707 An Act To Base the Motor Vehicle Excise Tax on the Purchase Price of the Motor Vehicle ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ORDWAY L DOW D	ONTP	

This bill requires that the motor vehicle excise tax for all motor vehicles and camper trailers be based upon the purchase price of the vehicle. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.

See also LD 26 and LD 1521.

LD 708 An Act To Use Taxes on Nonmedical Marijuana and Increase the Tax on Cigarettes To Partially Offset the 3% Income Tax Surcharge ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DENNO D BREEN C	ONTP	

This bill increases the sales tax on nonmedical marijuana from 10% to 15% and the tax on cigarettes from \$2.00 per pack of 20 cigarettes to \$2.50 per pack. The bill provides that revenue from these increases is deposited in the newly created Surcharge Relief Fund to be used to reduce the rate of the 3% surcharge on taxable income exceeding \$200,000. The bill contains an effective date of October 1, 2017.

With regard to the 3% surcharge, see also LDs 291, 377, 571, 829 and 851.

LD 727 An Act To Protect the Tax Base of Municipalities by Removing the Property Tax Exemption for Land Held for Conservation or Public Access Purposes Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STETKIS J	ONTP OTP-AM	

This bill provides that holding land primarily for conservation or public access purposes is not a benevolent or charitable purpose, which is a necessary requirement to obtaining an exemption from property tax. The change applies to property tax years beginning on or after April 1, 2018.

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Committee Amendment "A" (H-103)

This amendment, which is the minority report, incorporates a fiscal note.

This amendment was not adopted.

LD 733 An Act Regarding Maine's Tax Code

**Leave to Withdraw
Pursuant to Joint
Rule**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R		

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to make changes to certain taxes imposed pursuant to Maine law.

LD 741 An Act To Provide Equity in Education Funding

**Leave to Withdraw
Pursuant to Joint
Rule**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEARNS P		

This bill allows a municipality that is a member of a school administrative unit receiving the minimum state share for education funding to impose by referendum a local option sales tax of up to 1% to be used for funding kindergarten to grade 12 education and reducing the property tax rate. This bill also repeals a provision of the education funding laws calculating a minimum state share of costs based on a percentage of special education cost.

See also LDs 915, 1230, 1265 and 1522.

**LD 779 An Act To Allow Aroostook County To Create Tax Increment Financing
Districts**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN J JACKSON T	ONTP	

This bill authorizes Aroostook County to establish development districts qualifying for tax increment financing within the county in the same manner that a municipality or plantation may establish such a development district.

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LD 781 An Act To Support the Trades through a Tax Credit for Apprenticeship Programs CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E DOW D	OTP-AM	H-416

This bill provides an income tax credit to employers with apprenticeship programs approved by the Department of Labor. The credit is equal to \$2,500 for each registered apprentice employed by the taxpayer during the taxable year in an approved apprenticeship program.

Committee Amendment "A" (H-416)

This amendment replaces the bill. It permits an employer who employs an apprentice participating in an approved apprenticeship program to receive a tax credit and establishes procedures for employing units to be eligible for a partial credit if they employ a participating apprentice for fewer than 2,000 hours during a calendar year. The amendment also adds an appropriations and allocations section.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 782 An Act To Provide a Sales Tax Exemption for Certain Nonprofit Organizations Supporting Veterans Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANDERSON D	OTP-AM	H-193

This bill is a concept draft pursuant to Joint Rule 208.

The bill proposes to create a sales tax exemption for goods purchased by certain veterans' facilities.

Committee Amendment "A" (H-193)

This amendment strikes the bill. This amendment expands the sales tax exemption for incorporated nonprofit organizations organized for the purpose of providing direct supportive services in the State to certain veterans and their families to include veterans with combat injuries. The amendment also adds an appropriations and allocations section.

LD 783 An Act Regarding Business Income Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART H	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to provide an income tax credit for a business that makes a voluntary contribution to fully or partially fund a qualifying local project that would otherwise need to be funded by the State. Qualifying projects would include those funded through the Maine Municipal Bond Bank or local projects involving high-priority

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infrastructure or otherwise approved by a municipality as a priority project.

LD 784 An Act To Prevent Tax Haven Abuse

**Died Between
Houses**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R JACKSON T	OTP-AM ONTP	

This bill requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. The State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income and to submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.

Committee Amendment "A" (H-169)

This amendment which is the majority report, changes the schedule for the State Tax Assessor's review of tax-haven jurisdictions to a biennial review and adds an appropriations and allocations section.

This amendment was not adopted.

LD 829 An Act To Increase the Income Tax Surcharge Threshold Imposed on Households

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DIAMOND B COREY P	ONTP	

This bill amends the 3% surcharge imposed on individual taxable income over \$200,000 to increase the threshold, for tax years beginning after 2017, to \$300,000 for taxpayers filing as heads of households and to \$400,000 for taxpayers filing married joint returns or surviving spouses permitted to file a joint return. Single individuals and married persons filing separate returns remain subject to the surcharge on taxable income over \$200,000.

See also LDs 291, 337, 571, 708 and 851.

LD 851 An Act To Repeal and Subject to Referendum in 2018 the Fund To Advance Public Kindergarten to Grade 12 Education and the 3 Percent Income Tax Surcharge

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SIROCKI H LANGLEY B	ONTP	

Part A of this bill repeals the 3% surcharge imposed on taxable individual income over \$200,000 for tax years beginning in or after 2017 and the Fund to Advance Public Kindergarten to Grade 12 Education, both as enacted in Initiated Bill 2015, chapter 4. The repeal is retroactive to the effective date of the initiated bill.

Part B of this bill enacts a 3% surcharge on taxable individual income over \$200,000 for tax years beginning in or

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after 2019 and it enacts the Fund to Advance Public Kindergarten to Grade 12 Education, but only if approved by the voters at referendum in November 2018.

See also LDs 291, 377, 571, 708 and 829.

LD 874 An Act To Expand the Authority of Municipalities To Implement a Property Tax Deferral Program **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DENNO D BREEN C	ONTP OTP	

This bill expands the current authority for municipalities to adopt a property tax deferral program for persons who are 70 years of age or older to include other individuals based on factors such as age, income or assets.

LD 875 An Act To Reduce Property Taxes **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R	ONTP	

This bill changes the formula for calculating distributions of state-municipal revenue-sharing funds. The bill provides that revenue-sharing funds will be distributed only to municipalities with mill rates exceeding 10 mills. The bill also provides an adjustment that results in greater reimbursements to municipalities that have a lower mill rate than their average mill rate for the preceding five years than to municipalities that do not. The new distribution formula applies beginning in the 2018-19 fiscal year.

See also LDs 74, 133, 492 and 1227.

LD 885 An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes **PUBLIC 24
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOW D	OTP	

This bill, which was submitted by the Department of Administrative and Financial Services, 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, 2016, for tax years beginning on or after January 1, 2016, and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended. This bill primarily affects the State's income tax laws.

Enacted Law Summary

Public Law 2017, chapter 24 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, 2016, for tax years beginning on or after January 1, 2016 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended. This law primarily affects the State's income tax laws.

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Public Law 2017, chapter 24 was enacted as an emergency measure effective April 26, 2017.

LD 887 An Act To Provide Relief to Maine Property Tax Payers ONTP

<u>Sponsor(s)</u> BRAKEY E	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to change the method for providing property tax relief through State-municipal revenue sharing by providing benefits directly to property tax payers through a state tax credit rather than through distributions to municipalities. The maximum an individual taxpayer could receive would be 80% of the individual's annual property tax bill. The maximum a corporate taxpayer could receive would be 40% of its annual property tax bill. The credit would be calculated as a percentage of the total revenue sharing funds based on a taxpayer's annual bill, the percentage of total revenue sharing funds attributable to the municipality where the taxpayer's property is located and the taxpayer's annual property tax liability as a percentage of annual property tax liability statewide.

LD 904 An Act To Require the County Commissioners To Adjust the Assessed Value of a Municipality When They Grant an Abatement Request ONTP

<u>Sponsor(s)</u> JOHANSEN C CARPENTER M	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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This bill requires the county commissioners for a municipality or primary assessing area to whom an appeal of an assessment has been made to adjust downward the valuation of that municipality or primary assessing area when the county commissioners grant the abatement. The adjustment must be equal to the amount of the abatement.

LD 915 An Act To Lower Property Taxes ONTP

<u>Sponsor(s)</u> HYMANSON P WOODSOME D	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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This bill requires payments beginning in fiscal year 2018-19 to a municipality of an amount, as determined by the State Tax Assessor, equal to 5% of the sales and use tax revenue attributable to the municipality in the previous fiscal year. The amount received may not reduce any other state aid or revenue sharing received by that municipality, and the municipality must use the amount received to reduce property taxes by the same amount. The Unorganized Territory Education and Services Fund receives the local sales tax payment for the unorganized territory and is subject to the same requirement to use the revenue to reduce property taxes.

See also LDs 741, 1230, 1265 and 1522.

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**LD 928 An Act Requiring a Dynamic Fiscal Analysis of Changes to Visual Media
Production Tax Credits and Reimbursements**

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PICCHIOTTI J WHITTEMORE R	ONTP OTP-AM	

Part A of this bill requires the Department of Economic and Community Development to undertake by August 1, 2017 a pilot project to develop and evaluate a tax simulation model for state dynamic fiscal analysis of potential changes to the certified visual media production credit and the visual media reimbursement. Maine Revenue Services and the Office of Fiscal and Program Review are required to evaluate the pilot project and determine whether the changes proposed in Part B of the bill have a positive or negative impact on state revenue.

Part B of this bill repeals the certified visual media production credit, increases the reimbursement amount for certified production wages paid from 12% to 25% for residents of Maine, increases the cap on the reimbursement of wages from \$50,000 to \$100,000 and provides for a reimbursement of 20% of nonwage visual media production expenses. These changes take effect only if the result of the joint finding of Maine Revenue Services and the Office of Fiscal and Program Review is that the changes proposed in this Part would result in a positive fiscal impact on state revenue.

Committee Amendment "A" (H-281)

This amendment retains the provisions of the bill and changes certain dates. It extends the completion date for the proposed pilot project until November 1, 2017, the date for Maine Revenue Services and the Office of Fiscal and Program Review to report to the Joint Standing Committee on Taxation until December 15, 2017 and the date to certify the fiscal impact of the proposed changes on state revenue until December 31, 2017.

This amendment was not adopted.

LD 935 An Act To Exempt from Taxation Certain Out-of-state Pensions

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLUME L HILL D	ONTP OTP-AM	

This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income. The exemption is calculated as the total amount of the contribution made by the taxpayer that was taxed in the other state divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction. In order to qualify for the exemption, the contribution must have been made using income on which income tax was paid and is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine.

Committee Amendment "A" (H-170)

This amendment, which is the minority report, corrects a cross-reference and clarifies a condition of the deduction to refer to contributions made to a pension plan while being a resident of another jurisdiction. The amendment also adds an appropriations and allocations section and a fiscal note.

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This amendment was not adopted.

LD 936 An Act To Modernize and Simplify the Tax Code

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARVELL L DION M	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to modernize and simplify the tax code.

**LD 945 An Act To Reduce the Burden of Tobacco-related Illness by Increasing
Revenue from the Cigarette Tax for Use for Tobacco Cessation**

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J CHENETTE J	OTP-AM ONTP OTP-AM	

This bill increases the cigarette tax from \$2.00 to \$3.50 per pack of 20 cigarettes, beginning November 1, 2017. This bill also provides increased funding in the amount of \$8,100,000 per year in ongoing funding to the Maine Centers for Disease Control and Prevention for tobacco use prevention and cessation in order to align with United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. Finally, this bill provides \$1,000,000 in fiscal year 2017-18 and \$750,000 thereafter for MaineCare members for tobacco cessation medications and counseling.

Committee Amendment "A" (H-560)

This amendment phases in the increase in the cigarette tax by 15 mills per year until it reaches 175 mills on November 1, 2021 and provides that the revenue from the additional tax be deposited in a special account to be administered by the Department of Health and Human Services, Maine Center for Disease Control and Prevention for tobacco use prevention and cessation. This amendment also adjusts the appropriations and allocations to reflect the phasing in of the tax increase as proposed in the amendment.

This amendment was not adopted.

Committee Amendment "B" (H-561)

This amendment changes the amount of the increase in the tax on cigarettes from \$1.50 per pack of 20 cigarettes to \$1.00 per pack. This amendment also adjusts the appropriations and allocations in the bill to reflect the change in the tax proposed in the amendment.

This amendment was not adopted.

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LD 946 An Act To Provide an Income Tax Credit for Students Returning to College

Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAUGHTRY M	ONTP OTP-AM	

This bill is a concept draft pursuant to Joint Rule 208.

It proposes to enact an income tax credit for individuals who are returning to postsecondary education after an absence of several years to help those individuals complete their degrees.

Committee Amendment "A" (H-386)

This amendment, which is the minority report, replaces the bill. This amendment provides a refundable income tax credit of up to \$5,000 for eligible individuals and parents of eligible individuals making payments of interest and principal on qualified education loans. The credit is phased out for married individuals filing joint returns with Maine adjusted gross income in excess of \$130,000 and for other returns with Maine adjusted gross income in excess of \$65,000. The amendment also provides that an individual may claim only the credit allowed under this amendment or the credit for educational opportunity but not both.

This amendment was not adopted.

See also LD 1123.

LD 947 An Act To Support Employees with Significant Commutes

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E THIBODEAU M	OTP-AM ONTP	

This bill provides an income tax credit for an individual with a round-trip commute of at least 50 miles between the individual's primary residence and primary place of employment. The credit is equal to 25¢ per mile plus tolls. The credit does not apply to miles or tolls for which the individual claims a deduction from federal income tax or if the individual is compensated by the employer.

Committee Amendment "A" (H-238)

This amendment, which is the majority report, increases to 70 miles the round-trip commuting distance that qualifies for a tax credit and changes the amount of the credit to \$1,000 for individuals with a total eligible commuting mileage of 10,000 or more miles and \$500 for individuals with a total eligible commuting mileage between 5,500 and 10,000 miles. The amendment also removes tolls from the calculation of the amount of the credit and provides funding for the costs associated with implementing the credit.

This amendment was not adopted.

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LD 959 An Act To Expand Property Tax Relief for Maine Residents

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J MCCREIGHT J	ONTP OTP-AM	

This bill requires that 1% of surplus General Fund revenue be transferred annually to a nonlapsing fund to be created by the bill to be used to increase the maximum property tax fairness credit.

Committee Amendment "A" (S-120)

The amendment, which is the minority report, provides an allocation to provide for the establishment of the Property Tax Fairness Credit Fund to be created by the bill.

This amendment was not adopted.

LD 974 An Act To Increase the Homestead Exemption

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCLEAN A	OTP-AM ONTP	

This bill increases the total exemption under the Maine resident homestead property tax exemption program to \$30,000 for property tax years beginning on or after April 1, 2018. Under current law, the total exemption is scheduled to increase from \$15,000 to \$20,000 for property tax years beginning on or after April 1, 2017. Sixty-two and one-half percent of the just value of all the homestead exemptions is included in the total municipal valuation used to determine the municipal tax rate and state valuation; that percentage is not affected by this bill.

Committee Amendment "A" (H-563)

This amendment adds provisions to the bill to increase state reimbursement for all homestead property tax exemptions from 62.5% to 100% for property tax years beginning on or after April 1, 2018 and provides funding for that reimbursement.

This amendment was not adopted.

LD 1023 An Act To Provide a Sales Tax Exemption for Baling Twine

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLACK R DILL J	OTP	

This bill provides a sales tax exemption for baling twine for hay.

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LD 1027 An Act Regarding the Taxation of Certain Nonprofit Organizations

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T	OTP	

This bill provides a sales tax exemption for sales of prepared food by a civic, religious or fraternal organization, including an auxiliary of such an organization, at a public or member-only event, except when alcoholic beverages are available for sale at the event, for up to 24 days during a calendar year.

The substance of this bill was included in LD 1551, enacted as Public Law 2017, chapter 211.

LD 1071 An Act To Modify the Tax Increment Financing Laws

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T	ONTP	

This bill amends the tax increment financing laws with regard to TIF costs for services and equipment used to provide skills development and training. The bill caps the amount that may be included at 20% of total project costs and by requiring that funding priority to be given to services, equipment and training for jobs created or retained in the municipality, plantation or unorganized territory.

LD 1076 An Act To Replace Municipal Property Tax Revenue Lost Due to Land Acquisitions under the Land for Maine's Future Fund

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HANINGTON S MAKER J	ONTP	

This bill requires that if a Land for Maine's Future acquisition removes a taxable property from the tax roll of a municipality or the unorganized territory on or after April 1, 2018, the State annually must reimburse the municipality or unorganized territory in an amount equal to the tax the municipality or unorganized territory would have received for that property.

LD 1078 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2017-18

**PUBLIC 121
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-237

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.

Committee Amendment "A" (H-237)

This amendment incorporates a fiscal note.

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Enacted Law Summary

Public Law 2017, chapter 121 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.

Public Law 2017, chapter 121 was enacted as an emergency measure effective June 2, 2017.

**LD 1106 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Dedicate All Sales Taxes from All Vehicle Sales and Any
Vehicle-related Sales to the Highway Fund for Roads and Bridge
Capital Improvements** **Died Between
Houses**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PARRY W MIRAMANT D	OTP-AM ONTP	

This resolution proposes to amend the Constitution of Maine to dedicate all sales and use tax revenue from sales of motor vehicles and sales related to motor vehicles to the Highway Fund for roads and bridge capital improvements.

Committee Amendment "A" (H-387)

This amendment, which was the majority report, incorporates a fiscal note.

This amendment was not adopted.

LD 1121 An Act Regarding the Exclusive Use of Tax Exempt Property **Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KINNEY J CUSHING A	ONTP OTP-AM	

This bill amends the exemption from property tax provided to benevolent and charitable incorporated institutions and to scientific and literary institutions to specify that the exemption does not apply to property that is used incidentally in the provision of goods, services or materials in exchange for any type of consideration.

Committee Amendment "A" (H-104)

This amendment, which is the minority report, incorporates a fiscal note.

This amendment was not adopted.

**LD 1123 An Act To Allow an Income Tax Deduction for Interest Paid on Student
Loans** **Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DION M GRANT G	ONTP OTP-AM	

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This bill provides an additional income tax deduction for interest paid on qualified education loans that exceeds the amount allowable under the United States Internal Revenue Code. The maximum deduction is increased from \$2,500 to \$5,000 and the modified adjusted gross income thresholds for phase-out of the deduction are increased by \$15,000 for taxpayers filing as single individuals and \$30,000 for individuals filing a joint return.

Committee Amendment "A" (S-178)

This amendment, which is the minority report, adds an appropriation to cover the costs of a tax examiner position to establish and implement the income tax credit for interest paid on student loans.

This amendment was not adopted.

See also LD 946.

LD 1144 An Act To Support Maine Families by Increasing the Dependent Care Credit

**Died Between
Houses**

Sponsor(s)

HERBIG E
CUSHING A

Committee Report

OTP-AM
ONTP

Amendments Adopted

This bill increases the income tax credit for child care expenses from 25% to 50% of the federal tax credit allowable for child and dependent care expenses and increases the amount that is refundable from \$500 to \$750. The increase applies to tax years beginning on or after January 1, 2017.

Committee Amendment "A" (H-235)

This amendment, which is the majority report, retains the provisions of the bill that increase the income tax credit for child care expenses but amends the provision of current law that doubles the credit when the child care expenses are incurred through the use of quality child care services to provide that the credit is multiplied by 1.5 in that situation.

This amendment was not adopted.

LD 1172 An Act To Repeal the Maine Personal Property Tax

**Accepted Majority
(ONTP) Report**

Sponsor(s)

CUSHING A
FREDETTE K

Committee Report

ONTP
OTP-AM

Amendments Adopted

This bill repeals the provisions of law requiring a tax to be imposed on personal property and specifies that all individually owned personal property is exempt from taxation.

This bill removes numerous references in the Maine Revised Statutes to the personal property tax.

Committee Amendment "A" (S-179)

This amendment, which is the minority report, adds an appropriation to reimburse municipalities for 50% of the revenue loss due to the repeal of the tax on personal property. Reimbursement is required under the Constitution of Maine, Article IV, Part Third, Section 23.

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This amendment was not adopted.

LD 1180 An Act To Provide a Definition of "Primary Residence" for Purposes of PUBLIC 273
Property Tax Abatements Based on Hardship or Poverty

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T	OTP	S-282 SAVIELLO T

This bill defines "primary residence" for the purpose of determining abatement of property taxes based on hardship or poverty as the applicant's home, necessary appurtenant structures and reasonable acreage sufficient to support the siting of the homestead.

Senate Amendment "A" (S-282)

This amendment revises the definition of "primary residence" as provided in the bill for the purpose of determining abatement of property taxes based on hardship or poverty by specifying that the acreage must satisfy the minimum lot size required by the municipality or, if the municipality has no minimum lot size requirement, the minimum lot size required under the realty subdivision laws.

Enacted Law Summary

Public Law 2017, chapter 273 defines "primary residence" for the purpose of determining abatement of property taxes based on hardship or poverty the applicant's home, necessary appurtenant structures and the acreage that is sufficient to satisfy the minimum lot size required by the municipality or, if the municipality has no minimum lot size requirement, the minimum lot size required under the realty subdivision laws.

LD 1195 An Act To Allow Municipalities To Opt Out of the Collection and ONTP
Assessment of Personal Property Taxes

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R CUSHING A	ONTP	

This bill allows a municipality, by referendum, to exempt all personal property located in that municipality from assessment and collection of tax by that municipality.

LD 1196 An Act To Assist Seniors and Certain Persons with Disabilities in Paying CARRIED OVER
Property Taxes

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-236

This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991. The bill modifies the program to include households with at least one individual who is 65 years of age or older or who is retired from gainful employment due to disability and to surviving spouses who are at least 60 years of age or who are retired from gainful employment due to disability and provides that household income must be less than \$40,000. This limit is indexed for inflation in 2019 and annually thereafter. The bill also eliminates provisions requiring accrual of interest on deferred property taxes.

Committee Amendment "A" (H-236)

Joint Standing Committee on Taxation

LD 1230 An Act To Allow a Local Option Sales Tax on Meals and Lodging

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HUBBELL B VOLK A	ONTP	

This bill allows a municipality to impose a local option sales tax up to 1% on prepared food and short-term lodging subject to the state sales tax. The tax must be approved by local referendum and may be limited to a period of specified months during the year. The tax may be used only for purposes authorized by an appropriation of the local legislative body.

See also LDs 741, 915, 1265 and 1522.

LD 1245 An Act To Ensure the Effectiveness of Tax Expenditures

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R	ONTP	

This bill, based on model legislation for accountability in economic development, makes any subsidy provided by the State or local government to a company for purposes of encouraging economic development subject to rescission or recapture if the company fails to meet the goals for which the subsidy was provided.

The bill requires the granting body to monitor the company receiving the subsidy to ensure the company is meeting the goals for the subsidy and to recapture all or a portion of the subsidy from a company that does not meet those goals.

This bill requires the granting body to maintain a publicly accessible website containing information about the subsidy and the company receiving the subsidy and any enforcement actions taken against a company receiving a subsidy.

The bill provides taxpayer standing to a taxpayer or organization of taxpayers to bring a law suit to enforce the rescission or recapture requirements.

LD 1246 An Act To Provide Landowners a Property Tax Exemption for Certain Trails

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S JACKSON T	ONTP	

This bill provides a property tax exemption for certain recreational trails that are recognized by the State or a statewide nonprofit organization, are open to public recreational uses and meet certain width and length requirements, depending on the use. The exemption is limited to that portion of a parcel of land that is actually used for the recreational purpose.

Joint Standing Committee on Taxation

LD 1247 An Act To Repeal the Income Tax on Pick-up Contributions Paid to the Maine Public Employees Retirement System and To Clarify the Taxation of Pick-up Contributions Distributed in the Form of a Rollover **Died On Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M	OTP-AM	H-194

This bill, which is submitted by the Department of Administrative and Financial Services, repeals the individual income tax addition modification for state contributions to the Maine Public Employees Retirement System on behalf of the taxpayer and allows the subtraction modification for pick-up contributions distributed to the taxpayer in the form of a rollover to be subtracted from taxable income within a three-year period beginning with the year of the rollover. The changes apply to tax years beginning on or after January 1, 2017.

Committee Amendment "A" (H-194)

This amendment provides that the changes proposed in the bill apply to tax years beginning on or after January 1, 2018 rather than on or after January 1, 2017.

LD 1265 An Act To Allow the Creation of a Local Option Sales Tax by Referendum **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J HOGAN G	ONTP	

This bill allows a municipality to impose a local option sales tax of up to 1% by local referendum. The sales tax may be seasonal. The local sales tax applies to the state sales tax base except that certain items, such as motor vehicles and major household appliances are excluded.

See also LDs 741, 915, 1230 and 1522.

LD 1270 An Act To Allow Municipalities To Include Itemized Fees on Property Tax Bills **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOONEN M	ONTP	

This bill allows a municipality that issues a property tax bill to a taxpayer to include in the tax bill other fees or assessments owed by the taxpayer to the municipality if the other fees and assessments are itemized and distinct from the information on the tax bill that is required by law.

LD 1276 An Act To Change the Exemption Amount under the Estate Tax **Died On Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS H	OTP-AM ONTP	

Joint Standing Committee on Taxation

Under Maine law, the amount of an estate exempt from Maine estate tax is defined as the same amount that is exempt under federal law, which is currently \$5,000,000. Amounts over the exclusion amount are taxed at 8%, 10% and 12% based on the amount of the estate.

This bill specifies that the amount of a Maine estate that is exempt from Maine estate tax is \$1,000,000 for estates of persons dying on or after January 1, 2018. The same tax rates as under the current law are maintained.

Committee Amendment "A" (H-559)

This amendment adds an appropriation to cover the costs of administering the bill. The amendment provides funding for three Senior Revenue Agent positions and related costs to audit and process estate tax returns.

This amendment was not adopted.

LD 1283 An Act To Modernize the Mining Excise Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T		

This bill is a concept draft pursuant to Joint Rule 208.

The bill proposes to update the mining tax laws to reflect current terminology and practice and to impose a new rate of tax on mining activities.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1285 An Act To Tax Political Expenditures Made Immediately before an Election

Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T	ONTP OTP-AM	

This bill imposes a 50% tax on the value of a political expenditure made during the two weeks immediately before a primary, general, special or referendum election. "Political expenditure" has the same meaning as "expenditure" for the purpose of campaign finance reports, which includes a purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person or a ballot measure, such as a so-called people's veto or initiated bill. The tax is imposed on the person making the political expenditure and must be paid within 30 days of making the political expenditure.

Committee Amendment "A" (S-218)

This amendment provides one-time funding for programming costs associated with the new tax proposed in the bill.

This amendment was not adopted.

Joint Standing Committee on Taxation

LD 1287 An Act To Strengthen Efforts To Recruit and Retain Primary Care Professionals and Dentists in Rural and Underserved Areas of the State

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T WARD K	OTP-AM	S-121

This bill extends through 2026 the income tax credit for eligible dentists who practice in underserved areas. With respect to the primary care access credit, the bill increases the number of primary care professionals who practice in underserved areas who may be certified for the credit and allows the credit for primary care professionals to remain in effect beyond January 1, 2019.

Committee Amendment "A" (S-121)

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 1289 An Act To Allow Voluntary Payments in Lieu of Taxes in the Unorganized Territory

PUBLIC 193

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DILL J MARTIN J	OTP-AM	S-122

This bill allows an owner of tax exempt property located in the unorganized territory to make a voluntary payment in lieu of taxes, which is required to be deposited into the county unorganized territory fund of the county in which the tax-exempt property is located to pay for municipal services in the unorganized territory.

Committee Amendment "A" (S-122)

This amendment provides that the process provided in the bill for payments in lieu of taxes in the unorganized territory applies only for certain nonprofit property owners. The amendment also changes the allocation of the provision to place it in the chapter of the Maine Revised Statutes governing property taxes in the unorganized territory.

Enacted Law Summary

Public Law 2017, chapter 193 provides that an owner of tax exempt property of certain nonprofit organizations located in the unorganized territory may make a voluntary payment in lieu of taxes. The payment must be deposited into the county unorganized territory fund of the county in which the tax-exempt property is located to pay for municipal services in the unorganized territory.

LD 1317 An Act To Encourage Family-friendly Businesses through a Tax Credit for Child Care

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E VOLK A	OTP-AM ONTP	H-234

Joint Standing Committee on Taxation

This bill amends the tax credit allowed for employer-assisted day care, which expired at the end of 2015, except for the ability to carry forward unused credits.

This bill revives the credit for tax years beginning in 2017 or later but changes the amount of the credit provided to an employer who provides day care services for the children of its employees, either directly or through payments to a day care operated or licensed by the Department of Health and Human Services. The credit is the lesser of 50% of the employer's income tax liability and 75% of the costs incurred by the employer in providing day care services for children of employees of the taxpayer.

Committee Amendment "A" (H-234)

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 1338	An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GROHMAN M CUSHING A		

This bill provides tax benefits for employee-owned businesses and cooperatives in the following ways.

1. It excludes from Maine income tax the amount of gain recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
2. It excludes from Maine income tax interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1405	An Act To Require Remote Sellers To Collect and Remit Sales and Use Tax on Sales into Maine	PUBLIC 245
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINS R PARRY W	OTP-AM OTP-AM	S-181

This bill permits retailers to retain an amount equal to up to 2% of the sales and use taxes they collect.

This bill also requires certain remote sellers to collect and remit to the State the sales or use tax imposed by the State on the sale of tangible personal property for delivery into the State, a product transferred electronically or a service that is taxable by this State. This requirement applies to a person whose gross revenue from delivery of taxable tangible personal property, a product transferred electronically or a service into Maine in the previous calendar year or current calendar year exceeds \$100,000 or to a person that sold taxable tangible personal property, a product transferred electronically or a service into this State in at least 200 separate transactions in the previous calendar year or the current calendar year.

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The bill also permits the State to bring an action for a declaratory judgment to establish that the tax collection obligation is valid under state and federal law. If such an action is brought, the court is required to enjoin the State from enforcing the requirement to collect and remit the tax against any person unless that person voluntarily agrees to collect and remit the tax or the person that has previously been adjudicated to be required to collect and remit the tax. If the injunction against the State is lifted, the requirement to collect and remit the sales or use tax may be applied only to prospective sales.

Committee Amendment "A" (S-181)

This amendment, which is the majority report, removes from the bill the provision that authorizes sellers that collect sales and use tax to retain as a collection allowance a portion of the revenue collected.

Committee Amendment "B" (S-182)

This amendment, which is the minority report, changes the amount that may be retained by a seller that collects sales tax to the lesser of \$500 and 1% of the tax collected per filing period.

This amendment was not adopted.

Enacted Law Summary

Public Law 2017, chapter 245 requires certain remote sellers to collect and remit to the State the sales or use tax imposed by the State on the sale of tangible personal property for delivery into the State, a product transferred electronically or a service that is taxable by this State. This requirement applies to a person whose gross revenue from delivery of taxable tangible personal property, a product transferred electronically or a service into Maine in the previous calendar year or current calendar year exceeds \$100,000 or to a person that sold taxable tangible personal property, a product transferred electronically or a service into this State in at least 200 separate transactions in the previous calendar year or the current calendar year.

The law also permits the State to bring an action for a declaratory judgment to establish that the tax collection obligation is valid under state and federal law. If such an action is brought, the court is required to enjoin the State from enforcing the requirement to collect and remit the tax against any person unless that person voluntarily agrees to collect and remit the tax or the person that has previously been adjudicated to be required to collect and remit the tax. If the injunction against the State is lifted, the requirement to collect and remit the sales or use tax may be applied only to prospective sales.

LD 1421 Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory

RESOLVE 11

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	OTP-AM	H-195

This resolve, which was submitted by the Department of Administrative and Financial Services, authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the unorganized territory that were acquired by the State due to nonpayment of property taxes.

Committee Amendment "A" (H-195)

This amendment adds an additional property that was authorized for sale in 2016 but did not sell at that time.

Enacted Law Summary

Resolve 2015, chapter 11 authorizes the State Tax Assessor to convey the interest of the State in several parcels of

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real estate in the unorganized territory that were acquired by the State due to nonpayment of property taxes.

LD 1450 An Act To Promote Workforce Development and Provide an Economic Stimulus for Maine-based Filmmakers and Supporting Businesses

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DESCHAMBAULT S FECTEAU R	OTP-AM ONTP	

This bill was submitted by the Department of Economic and Community Development. This bill makes the following changes to the visual media production certification process, reimbursement and credit:

1. It specifies that a visual media production expense must be for preproduction, production and postproduction work performed in Maine;
2. It increases the cap on wages that can be included as a visual media production expense from \$50,000 per individual to \$75,000 per individual;
3. It increases the reimbursement rate from 12% of certified production wages that are paid to Maine residents and 10% of certified production wages paid to non-Maine residents to 25% of all visual media production expenses, including wages, and specifies that the reimbursement for wages is for all personnel, including filmmakers, cast members and the technical production and postproduction staff of a visual media production company as long as the company has at least \$75,000 in visual media production expenses from the certified production;
4. It repeals the certified visual media production tax credit and caps reimbursement of expenses at \$750,000;
5. It specifies that, in order to be eligible for the visual media production reimbursement, at least 25% of the above-the-line personnel, as well as 50% of the below-the-line personnel, not including extras, must be Maine residents, and either the visual media production expenses exceed 50% of the total production expenses or at least 75% of the total principal photography days occur in Maine; and
6. It specifies that a person claiming the Pine Tree Development Zone tax credit is not eligible to get the visual media production reimbursement.

Committee Amendment "A" (S-228)

This amendment, which was the majority report, makes changes to certain provisions in the bill regarding visual media production reimbursement.

1. It removes the increase in the bill in the cap on wages that can be included as a visual media production expense and excludes wages that are subject to reimbursement under the Maine Employment Tax Increment Financing Program.
2. It removes airfare as a reimbursable visual media production expense.
3. It deletes a provision in the bill that requires an applicant for reimbursement to be a resident of the State.
4. It reduces the minimum amount that a production company must spend to qualify for reimbursement from \$75,000 to \$25,000.
5. It provides that reimbursement for certified production wages is equal to 25% with respect to a resident of the State and 20% with respect to an individual who is not a resident of the State.

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6. It eliminates from the bill provisions requiring that certain percentages of production expenses must occur in the State.
7. It retains provisions in current law requiring a visual media production company to report certain information to the Maine State Film Office following completion of the production and deletes reporting requirements added by the bill.
8. It provides that a taxpayer that is certified as a Pine Tree Development Zone business is not eligible for reimbursement.
9. It provides that the changes made by the legislation apply to visual media productions that are certified by the Department of Economic and Community Development on or after the effective date of the Act.
10. It adds definitions necessary for administration of the proposed changes.

This amendment was not adopted.

LD 1461 An Act To Encourage the Construction of Affordable Housing

CARRIED OVER

Sponsor(s)

VOLK A

Committee Report

Amendments Adopted

This bill creates a credit against income tax and insurance premium tax for owners of low-income housing developments that qualify for tax credits under federal law and are financed with tax-exempt bonds, located in the State and determined by the Maine State Housing Authority to be eligible for a federal tax credit whether or not a federal tax credit is allocated to the development. The aggregate amount of credits that may be authorized by the Maine State Housing Authority is \$42,000,000.

A taxpayer who receives the credit must agree to enter a restrictive covenant to maintain and operate the development as low-income housing and follow various federal requirements for 15 years. The tax credit is for six years and has a recapture provision if the basis of the development goes below a certain amount. An insurance company is allowed to apply the credit against the company's insurance premium tax. The Maine State Housing Authority is required to report annually various details of the qualified developments that received a credit for the prior tax year.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1479 An Act To Modernize and Improve Maine's Property Tax System

CARRIED OVER

Sponsor(s)

STANLEY S
SAVIELLO T

Committee Report

Amendments Adopted

This bill amends Maine's property tax laws by:

1. Requiring centralized assessment by the Department of Administrative and Financial Services, Maine Revenue Services of complex manufacturing facilities valued at more than \$10,000,000;

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2. Allowing appeals of decisions of an assessor or municipal officers involving nonresidential property with a value of more than \$1,000,000 directly to the Superior Court and decisions of the State Board of Property Tax Review directly to the Law Court;
3. Limiting to 30 the number of interrogatories or document requests that an assessor may require a taxpayer with property liable to taxation or seeking an exemption under the business equipment tax exemption program to answer in writing; and
4. Changing the membership specifications of the State Board of Property Tax Review to remove the requirement that a member be an engineer and instead requiring members who are representatives of business and industry who are experienced in taxation, finance or valuation matters.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1488 An Act To Require That Landowners with Property Enrolled in the Tree Growth Tax Program Receive Timely Notice of Changes in Valuation of That Property ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAKEY E	ONTP	

This bill requires that if the State Tax Assessor increases the valuation of a parcel of property under the Maine Tree Growth Tax Law, the assessor is required to notify the landowner of the increase within 90 days of the determination. If notice is sent within 90 days of when the taxes on the parcel are due and the increase in valuation results in an increase in taxes on the parcel, the landowner has 90 days from the date of the notice to pay the amount representing the increase.

LD 1521 An Act To Amend the Property Tax Laws Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	ONTP OTP-AM	

This bill is submitted by the Department of Administrative and Financial Services and proposes various changes to the property tax and the motor vehicle excise tax.

Part A specifies that holding land primarily for conservation or public access purposes is not a benevolent and charitable purpose, which is a condition necessary to obtaining an exemption from property tax. It allows a land trust organization to enroll land owned by it in the open space tax law program, which would provide up to a 95% reduction in the assessed value of that land as long as certain conditions are met. It also removes the 15,000-acre limit on the size of land that may be enrolled in the open space tax law program.

Part B expands the authorization for municipal assessment of service charges for certain municipal costs against certain property exempt from property tax. It permits service charges to be imposed on any category of exempt property identified in the Maine Revised Statutes, Title 36, section 652 except for houses of worship and parsonages. The service charges may be levied only against an owner that has total real estate assets in the municipality with an assessed value of \$10,000,000 or more. The existing cap of 2% of the gross annual revenues of the institution or organization is retained.

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Part C reduces the rate of the excise tax imposed on motor vehicles for the first and second year from 24 mills to 18 mills and 17 1/2 to 16 mills, respectively; and increases the excise tax for the third, fourth, fifth and sixth year from 13 1/2 mills to 14 mills, 10 mills to 11.5 mills, 6 1/2 mills to 10 mills and 4 mills to 6 mills, respectively. After the sixth year, the mill rate reverts to 4 mills. See also LD 26 and LD 707.

Committee Amendment "A" (H-280)

This amendment incorporates a fiscal note.

This amendment was not adopted.

LD 1522 An Act To Authorize a Local Option Sales Tax

**Accepted Minority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SYLVESTER M LIBBY N	OTP-AM ONTP	

This bill allows a municipality to impose a local option sales tax if approved by referendum of the voters in that municipality. The referendum question must identify the rate of the local option sales tax and the purposes for which the revenue will be used. The local option sales tax would be collected and administered by the State in the same manner as the sales and use tax. Revenue from the local option sales tax is distributed 50% to the municipality, 25% to the Local Government Fund for state-municipal revenue sharing throughout the State and 25% to the Regional Economic Development Revolving Loan Program for regional economic development. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.

Committee Amendment "A" (H-279)

This amendment restricts the local option sales tax authorized by the bill to taxation of sales of prepared food and lodging, provides that the revenue must be placed in a special account to be expended only if specifically authorized by the local legislative body and changes the distribution of revenue from the local option sales tax by increasing from 50% to 65% the amount transferred to the participating municipality and reducing the amount transferred to the Regional Economic Development Revolving Loan Program from 25% to 10%. The amendment also changes the required referendum question to reflect the change in authorized use by a municipality of local option sales tax revenue funds.

This amendment was not adopted.

See also LDs 741, 915, 1230 and 1265.

LD 1537 An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M DOW D		

This bill, which is submitted by the Department of Administrative and Financial Services, makes the current tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2017 and creates a new, simplified, nonrefundable tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2017.

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1. The credit available to qualified individuals, is equal to the amount of eligible education loan payments made during the tax year, up to the greatest of \$1,000 for individuals having obtained an associate degree, \$2,000 for individuals having obtained a bachelor's degree and \$3,000 for individuals having obtained a graduate degree.
2. A qualified individual must be a full-year Maine resident who has obtained an associate, bachelor's or graduate degree from an accredited Maine or non-Maine community college, college or university after 2007 and who works at least part time in Maine or on a vessel at sea or is deployed for military service in the United States Armed Forces during the taxable year.
3. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt organizations, do not qualify for the credit.
4. The credit for employers of qualified employees is equal to the amount of eligible education loan amounts paid during the taxable year, except that the credit attributable to part-time employees is limited to 50% of the credit otherwise determined.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1548 An Act To Establish the Let's Grow Maine Program

**Died Between
Houses**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMANN S LANGLEY B	ONTP OTP-AM	

This bill establishes the Let's Grow Maine Program, to be administered by the Finance Authority of Maine through the use of private sector partners with the purpose of purchasing fruits and vegetables from farm businesses in the State for distribution to schools, senior citizens and individuals with low income. The program is funded through a newly created Food and Farm Fund that will receive dedicated revenue, starting in July 2019, based on 1/2 of the tax revenues from noncigarette smoking tobacco products. The bill increases the tax for noncigarette smoking tobacco products from 20% of the wholesale sales price to 47%, effective January 1, 2018. If the tax on cigarettes is increased on or after January 1, 2018, this tax, as well as the taxes on smokeless tobacco, will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.

Committee Amendment "A" (H-492)

This amendment changes administration of the proposed Let's Grow Maine Program from the Finance Authority of Maine to the Department of Agriculture, Conservation and Forestry, deletes provisions increasing taxes on certain tobacco products and provides funding for the program from Temporary Assistance for Needy Families block grant funds.

This amendment was not adopted.

LD 1549 An Act To Create a Tax on the Production of Electricity from Wind Resources

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEARNS P DAVIS P	ONTP	

Joint Standing Committee on Taxation

This bill creates an excise tax on wind energy producers for the privilege of using wind power to produce electricity from wind resources for sale or trade beginning January 1, 2018. The tax is equal to \$1 per megawatt-hour of electricity produced as measured at the point of interconnection with an electric transmission line. The tax first applies three years after the turbines producing the electricity first begin operation. The tax does not apply to the Federal Government, the State, a county or municipality in the State or any individual producing electricity from wind resources for that individual's personal use.

Revenue from the tax is transferred to a newly created Wind Energy Impact Fund to be administered by the Public Utilities Commission. The commission is required to establish a process for distribution of revenues to ratepayers in areas affected by the wind energy production that is subject to the tax.

LD 1550 An Act To Tax Sugar-sweetened Beverages To Fund Programs To ONTP
Provide Resources for Veterans and Others

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMANN S MILLETT R	ONTP	

This bill establishes an excise tax on sugar-sweetened beverages, including syrups and powders used to make sugar-sweetened beverages. The tax is imposed on distributors. Funds from the excise tax must be used to support the Drug Court Fund, the Veterans Fund, the Head Start Fund, the Drug Treatment Fund, the Obesity and Chronic Disease Fund, Healthy Food Access Fund, the After-school Program Fund and the Maine Drinking Water Fund.

LD 1551 An Act To Amend the Maine Tax Laws PUBLIC 211

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BICKFORD B	OTP-AM	H-463

This bill is submitted by the Department of Administrative and Financial Services and makes changes to numerous provisions of tax laws.

Part A makes the following changes to the administration of the tax laws.

1. It adds a tax information confidentiality exception to allow disclosures by the Maine Revenue Services to the Revenue Forecasting Committee in order to make available relevant tax information in support of the committee's statutory duties.
2. It amends tax lien provisions beginning August 1, 2017 to increase the State's ability to be first in line in priority ahead of certain other creditors for payment on a tax debt. The changes also clarify that the new lien provision does not affect liens related to municipal property taxes.
3. It amends the general provision for the annual calculation of the interest rate applicable to the Maine Revised Statutes, Title 36 tax underpayments and overpayments, effectively reducing the applicable interest rate.
4. It adds an exclusion to allow the public disclosure of information, except when the statute specifically designates the information as confidential.
5. It broadens an existing authorization for disclosure of confidential tax information to allow disclosures to the Department of Administrative and Financial Services, Division of Financial and Personnel Services, as well as to

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the Department of Health and Human Services, for purposes of financial accounting and revenue forecasts in order to make available relevant tax information in support of statutory duties of the Department of Administrative and Financial Services with respect to financial accounting and revenue forecasts with respect to the specific taxes.

6. It removes services from the definitions of retail sales activity and retail sales facility under the business equipment tax exemption laws to make the amended definitions match the same definitions in the business equipment tax reimbursement laws. Aligning the definitions for the two programs will eliminate confusion over eligibility for certain personal property.
7. It aligns the business equipment tax exemption laws taxpayer appeal procedures with that of those of the Maine resident homestead property tax exemption program and allows municipalities that are aggrieved by an audit determination of the bureau to appeal in the same manner as persons requesting reconsideration.
8. It adds boat clubs and associations leasing storage, mooring or docking space to the list of entities required to maintain information on watercraft related to the lease. It also adds selling as an activity triggering the information collection requirement.
9. It changes, under the business equipment tax reimbursement laws, the year upon which to calculate energy primarily for sale from the year immediately preceding the property tax year for which a claim is made to the property tax year for which a claim is made.

Part B makes the following changes to the sales tax and fuel tax laws.

1. It requires the prepaid wireless fee to be remitted in the same manner as the service provider tax.
2. It provides that diabetic supplies are exempt from sales tax only when sold for use by human beings.
3. It provides a sales tax exemption for sales of prepared food by a civic, religious or fraternal organization, including an auxiliary of such an organization, at a public or member-only event, except when alcoholic beverages are available for sale at the event or it is a private function, for up to 24 days during a calendar year.
4. It replaces the bracket system for calculating sales tax with a conventional rounding algorithm, effective January 1, 2018.
5. It provides that refunds of the gasoline tax and special fuel tax may be made to the Federal Government.

Part C allows businesses subject to the Maine insurance premiums tax to be eligible for the educational opportunity tax credit, consistent with the credit allowed to taxpayers subject to the Maine income tax. The credit applies to tax years beginning on or after January 1, 2017.

Part D makes the following changes to the income tax laws.

1. It repeals the addition modification for a taxpayer's expenses for a qualified long-term disability income protection plan or qualified short-term disability protection plan in order to maintain consistency with the treatment of expenses for taxable corporations and to promote simplification.
2. It repeals the adjustment to itemized deductions for expenses included in the base for the adult dependent care credit tax.
3. It moves the due date for filing Maine financial institution franchise tax returns from the 15th day of the third month to the 15th day of the fourth month following the end of the tax year in conformity with recent federal changes to the filing due date for C corporation income tax returns. The change applies to tax years beginning on or

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after January 1, 2017.

4. It corrects a conflict created when three public laws enacted the Maine Revised Statutes, Title 36, section 5219-NN, all substantively different from each other. The conflict is corrected by repealing the versions enacted by Public Law 2015, chapter 490 and Public Law 2015, chapter 503 and enacting them as Title 36, section 5219-OO and section 5219-PP, respectively, with the following changes:

A. The employer credit for disability protection plans is limited to employees who were not covered under a disability protection plan offered by the employing unit in the tax year immediately preceding the year the employer is first eligible for the credit. The credit applies to eligible employees enrolled in a qualified disability plan after January 1, 2017; and

B. The tax credit for making a portion of an existing homestead accessible to an individual with a disability or physical hardship is clarified to specify that it applies to individuals, not businesses, making qualified expenditures, that the credit is nonrefundable and that an individual with negative federal adjusted gross income qualifies for the credit. Also, the aggregate annual cap of \$1,000,000 applicable to the credit is removed. The changes all apply to tax years beginning on or after January 1, 2017.

The version of Title 36, section 5219-NN as enacted by Public Law 2015, c. 388 regarding the Maine capital investment credit for 2015 and after remains as section 5219-NN.

5. It prohibits, for tax years beginning on or after January 1, 2017, married individuals filing separate income tax returns from claiming the property tax fairness credit. The change is consistent with a similar restriction under the sales tax fairness credit.

6. It repeals the additional extension of 30 days beyond the federal extension due date for filing Maine income tax returns for corporations and financial institutions. This change applies to tax years beginning on or after January 1, 2017.

7. It changes the date an information return, such as a Form W-2, must be filed with Maine Revenue Services from February 28th to January 31st following the calendar year to which the information return relates. The change in the due date applies to information returns filed for calendar years beginning on or after January 1, 2017.

8. It provides that court-ordered restitution obligations are afforded a priority for setoff from state income tax refunds pursuant to Title 36, section 5276-A that is just above the priority given to court fines and fees.

Part E makes the following changes with regard to Maine Revenue Services reporting requirements.

1. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature identifying the amount of public funds spent and the amount of revenues foregone as the result of economic development incentives.

2. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature on the costs incurred in creating and maintaining, and the tax revenues collected by using, the data warehouse authorized by the Maine Revised Statutes, Title 36, section 194.

3. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature regarding the consultation process required by Title 36, section 194-A and the issues involved with, and results of, each such consultation.

4. It requires that information regarding reimbursements of property taxes paid on certain business property made pursuant to Title 36, chapter 915 be added to the tax expenditure report submitted to the Legislature by the State Tax

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Assessor and changes the due date of that report from January 5th to February 15th of each odd-numbered year.

5. It changes the due date of the tax incidence report submitted to the Legislature by the State Tax Assessor from January 1st to February 15th of each odd-numbered year.
6. It specifies that the report submitted to the Legislature by the State Tax Assessor no later than February 1st annually identifying all requests for an adjustment of equalized valuation under Title 36, section 208-A pertains to the most recently completed fiscal year rather than the previous calendar year.
7. It repeals a requirement that the Commissioner of Administrative and Financial Services submit an annual report to the Legislature regarding the Mining Impact Assistance Fund.
8. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature containing information that includes a list of persons receiving reimbursement for property taxes both under the business equipment tax reimbursement program and under a tax increment financing agreement.

Committee Amendment "A" (H-463)

This amendment removes from the bill a provision requiring that a prepaid wireless fee be remitted in the same manner as the service provider tax and a provision that changes the application of the penalty in current law for a retailer knowingly charging or collecting excess sales tax.

Enacted Law Summary

Public Law 2017, chapter 211 makes changes to numerous provisions of tax laws.

Part A makes the following changes to the administration of the tax laws.

1. It adds a tax information confidentiality exception to allow disclosures by the Maine Revenue Services to the Revenue Forecasting Committee in order to make available relevant tax information in support of the committee's statutory duties.
2. It amends tax lien provisions beginning August 1, 2017 to increase the State's ability to be first in line in priority ahead of certain other creditors for payment on a tax debt. The changes also clarify that the new lien provision does not affect liens related to municipal property taxes.
3. It amends the general provision for the annual calculation of the interest rate applicable to the Maine Revised Statutes, Title 36 tax underpayments and overpayments, effectively reducing the applicable interest rate.
4. It adds an exclusion to allow the public disclosure of information, except when the statute specifically designates the information as confidential.
5. It broadens an existing authorization for disclosure of confidential tax information to allow disclosures to the Department of Administrative and Financial Services, Division of Financial and Personnel Services, as well as to the Department of Health and Human Services, for purposes of financial accounting and revenue forecasts in order to make available relevant tax information in support of statutory duties of the Department of Administrative and Financial Services with respect to financial accounting and revenue forecasts with respect to the specific taxes.
6. It removes services from the definitions of retail sales activity and retail sales facility under the business equipment tax exemption laws to make the amended definitions match the same definitions in the business equipment tax reimbursement laws. Aligning the definitions for the two programs will eliminate confusion over eligibility for certain personal property.
7. It aligns the business equipment tax exemption laws taxpayer appeal procedures with that of those of the Maine

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resident homestead property tax exemption program and allows municipalities that are aggrieved by an audit determination of the bureau to appeal in the same manner as persons requesting reconsideration.

8. It adds boat clubs and associations leasing storage, mooring or docking space to the list of entities required to maintain information on watercraft related to the lease. It also adds selling as an activity triggering the information collection requirement.

9. It changes, under the business equipment tax reimbursement laws, the year upon which to calculate energy primarily for sale from the year immediately preceding the property tax year for which a claim is made to the property tax year for which a claim is made.

Part B makes the following changes to the sales tax and fuel tax laws.

1. It provides that diabetic supplies are exempt from sales tax only when sold for use by human beings.

2. It provides a sales tax exemption for sales of prepared food by a civic, religious or fraternal organization, including an auxiliary of such an organization, at a public or member-only event, except when alcoholic beverages are available for sale at the event or it is a private function, for up to 24 days during a calendar year.

3. It replaces the bracket system for calculating sales tax with a conventional rounding algorithm, effective January 1, 2018.

4. It provides that refunds of the gasoline tax and special fuel tax may be made to the Federal Government.

Part C allows businesses subject to the Maine insurance premiums tax to be eligible for the educational opportunity tax credit, consistent with the credit allowed to taxpayers subject to the Maine income tax. The credit applies to tax years beginning on or after January 1, 2017.

Part D makes the following changes to the income tax laws.

1. It repeals the addition modification for a taxpayer's expenses for a qualified long-term disability income protection plan or qualified short-term disability protection plan in order to maintain consistency with the treatment of expenses for taxable corporations and to promote simplification.

2. It repeals the adjustment to itemized deductions for expenses included in the base for the adult dependent care credit tax.

3. It moves the due date for filing Maine financial institution franchise tax returns from the 15th day of the third month to the 15th day of the fourth month following the end of the tax year in conformity with recent federal changes to the filing due date for C corporation income tax returns. The change applies to tax years beginning on or after January 1, 2017.

4. It corrects a conflict created when three public laws enacted the Maine Revised Statutes, Title 36, section 5219-NN, all substantively different from each other. The conflict is corrected by repealing the versions enacted by Public Law 2015, chapter 490 and Public Law 2015, chapter 503 and enacting them as Title 36, section 5219-OO and section 5219-PP, respectively, with the following changes:

A. The employer credit for disability protection plans is limited to employees who were not covered under a disability protection plan offered by the employing unit in the tax year immediately preceding the year the employer is first eligible for the credit. The credit applies to eligible employees enrolled in a qualified disability plan after January 1, 2017; and

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B. The tax credit for making a portion of an existing homestead accessible to an individual with a disability or physical hardship is clarified to specify that it applies to individuals, not businesses, making qualified expenditures, that the credit is nonrefundable and that an individual with negative federal adjusted gross income qualifies for the credit. Also, the aggregate annual cap of \$1,000,000 applicable to the credit is removed. The changes all apply to tax years beginning on or after January 1, 2017.

The version of Title 36, section 5219-NN as enacted by Public Law 2015, c. 388 regarding the Maine capital investment credit for 2015 and after remains as section 5219-NN.

5. It prohibits, for tax years beginning on or after January 1, 2017, married individuals filing separate income tax returns from claiming the property tax fairness credit. The change is consistent with a similar restriction under the sales tax fairness credit.
6. It repeals the additional extension of 30 days beyond the federal extension due date for filing Maine income tax returns for corporations and financial institutions. This change applies to tax years beginning on or after January 1, 2017.
7. It changes the date an information return, such as a Form W-2, must be filed with Maine Revenue Services from February 28th to January 31st following the calendar year to which the information return relates. The change in the due date applies to information returns filed for calendar years beginning on or after January 1, 2017.
8. It provides that court-ordered restitution obligations are afforded a priority for setoff from state income tax refunds pursuant to Title 36, section 5276-A that is just above the priority given to court fines and fees.

Part E makes the following changes with regard to Maine Revenue Services reporting requirements.

1. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature identifying the amount of public funds spent and the amount of revenues foregone as the result of economic development incentives.
2. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature on the costs incurred in creating and maintaining, and the tax revenues collected by using, the data warehouse authorized by the Maine Revised Statutes, Title 36, section 194.
3. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature regarding the consultation process required by Title 36, section 194-A and the issues involved with, and results of, each such consultation.
4. It requires that information regarding reimbursements of property taxes paid on certain business property made pursuant to Title 36, chapter 915 be added to the tax expenditure report submitted to the Legislature by the State Tax Assessor and changes the due date of that report from January 5th to February 15th of each odd-numbered year.
5. It changes the due date of the tax incidence report submitted to the Legislature by the State Tax Assessor from January 1st to February 15th of each odd-numbered year.
6. It specifies that the report submitted to the Legislature by the State Tax Assessor no later than February 1st annually identifying all requests for an adjustment of equalized valuation under Title 36, section 208-A pertains to the most recently completed fiscal year rather than the previous calendar year.
7. It repeals a requirement that the Commissioner of Administrative and Financial Services submit an annual report to the Legislature regarding the Mining Impact Assistance Fund.

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8. It repeals a requirement that the State Tax Assessor submit an annual report to the Legislature containing information that includes a list of persons receiving reimbursement for property taxes both under the business equipment tax reimbursement program and under a tax increment financing agreement.

LD 1565 An Act To Ensure the Effectiveness of Tax Increment Financing

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WARD K VOLK A		

This bill is submitted by the Department of Economic and Community Development. This bill provides that beginning with tax increment financing development programs approved by DECD on or after April 1, 2018, at least 80% of the area within the district must be designated for development by an entity engaged in a qualified business activity that is directly related to financial services, manufacturing or targeted technologies.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1570 An Act To Make Technical Changes to Maine's Tax Laws

PUBLIC 170

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	OTP-AM	H-384

This bill makes technical changes to correct and update cross-references, correct clerical errors, resolve statutory numbering conflicts, improve syntax and repeal unnecessary and expired language. In addition, this bill does the following.

1. It requires a person filing a statement of appeal with the Board of Tax Appeals or a petition for review with the Superior Court to serve the statement or petition by certified mail, return receipt requested, upon the Attorney General and the Department of Administrative and Financial Services, Bureau of Revenue Services.
2. It restricts the disclosure and use of confidential information provided by the bureau to persons, agencies and organizations for the purposes specified in the exemptions to Maine's confidentiality statute.
3. It removes the requirement that the bureau publish a list of certified assessors that the bureau maintains. Instead, the bureau is required to provide the list to municipalities upon request.
4. It changes the due date for the annual distribution to municipalities for revenue lost under the Maine Tree Growth Tax Law from August 1st to October 15th.
5. It clarifies that certain property of institutions and organizations that is exempt from property taxes under the Maine Revised Statutes, Title 36, section 652 is not exempt under the business equipment tax exemption program.
6. It clarifies that the report due under the business equipment tax exemption program is due on April 1st, which, under current law, is automatically extended to May 1st if the report is not received by April 1st. It also requires a request for further extension to be submitted to the assessor of the taxing jurisdiction before the commitment of taxes.
7. It makes minor changes to the language requiring the municipal tax collector to certify the delinquency between July 1st and July 15th in the same year the taxpayer applies for the reimbursement.

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8. It clarifies the definition of "prescription" for purposes of the exemption from the sales and use tax for prosthetic or orthotic devices.
9. It describes more accurately the evidence of overpayment of sales tax that must be presented by a purchaser or retailer when requesting a refund of an overpayment of sales tax. This clarification is consistent with long-standing administrative practice.
10. It reallocates the statutory provisions governing the phase-out of Maine standard and itemized deductions to those sections of law governing the calculation of Maine standard and itemized deductions.
11. It updates references in the statutory provision governing the subtraction modification that allows an individual who is an owner of an electing S corporation to recapture the bonus depreciation add-backs made by the business in prior years when it was treated as a C corporation for federal and Maine income tax purposes. This change reflects long-standing statutory and administrative practice.
12. It repeals the penalty for falsifying itemized deductions and wages with respect to withholding allowances. This penalty is not currently used, as taxpayers are also subject to penalties for failure to pay taxes timely and for excessive refunds, negligence and fraud.
13. It clarifies that the military retirement plan income tax subtractions apply to benefits received from service in the United States military.

Committee Amendment "A" (H-384)

This amendment makes the following changes.

1. It removes from the bill a provision requiring a person filing a statement of appeal with the Board of Tax Appeals or a petition for review with the Superior Court to serve the statement or petition by certified mail, return receipt requested, upon the Attorney General and the Department of Administrative and Financial Services, Bureau of Revenue Services.
2. It removes from the bill language restricting the disclosure to and use of confidential information by persons for whom disclosure is permitted.
3. It removes the repeal of a section relating to prepaid wireless fees and reverses provisions in the bill intended to clarify certain sales and use tax refund procedures.

Enacted Law Summary

Public Law 2017, chapter 170 makes technical changes to correct and update cross-references, correct clerical errors, resolve statutory numbering conflicts, improve syntax and repeal unnecessary and expired language. In addition, this bill does the following.

1. It removes the requirement that the bureau publish a list of certified assessors that the bureau maintains. Instead, the bureau is required to provide the list to municipalities upon request.
2. It changes the due date for the annual distribution to municipalities for revenue lost under the Maine Tree Growth Tax Law from August 1st to October 15th.
3. It clarifies that certain property of institutions and organizations that is exempt from property taxes under the Maine Revised Statutes, Title 36, section 652 is not exempt under the business equipment tax exemption program.
4. It clarifies that the report due under the business equipment tax exemption program is due on April 1st, which,

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under current law, is automatically extended to May 1st if the report is not received by April 1st. It also requires a request for further extension to be submitted to the assessor of the taxing jurisdiction before the commitment of taxes.

5. It makes minor changes to the language requiring the municipal tax collector to certify the delinquency between July 1st and July 15th in the same year the taxpayer applies for the reimbursement.
6. It clarifies the definition of "prescription" for purposes of the exemption from the sales and use tax for prosthetic or orthotic devices.
7. It reallocates the statutory provisions governing the phase-out of Maine standard and itemized deductions to those sections of law governing the calculation of Maine standard and itemized deductions.
8. It updates references in the statutory provision governing the subtraction modification that allows an individual who is an owner of an electing S corporation to recapture the bonus depreciation add-backs made by the business in prior years when it was treated as a C corporation for federal and Maine income tax purposes. This change reflects long-standing statutory and administrative practice.
9. It repeals the penalty for falsifying itemized deductions and wages with respect to withholding allowances. This penalty is not currently used, as taxpayers are also subject to penalties for failure to pay taxes timely and for excessive refunds, negligence and fraud.
10. It clarifies that the military retirement plan income tax subtractions apply to benefits received from service in the United States military.

**LD 1572 An Act To Implement Recommendations of the Government Oversight
Committee To Improve the Efficiency and Effectiveness of Legislative
Reviews of Tax Expenditures**

PUBLIC 266

Sponsor(s)

Committee Report

Amendments Adopted

OTP

This bill is submitted by the Government Oversight Committee pursuant to the Maine Revised Statutes, Title 3, section 1001, subsection 2. The purpose of this bill is to make changes to the law to improve the efficiency and effectiveness of tax expenditure evaluations conducted by the Office of Program Evaluation and Government Accountability for the Legislature. The bill removes statutory deadlines to provide more flexibility in scheduling, completion and reporting on full evaluations to allow for a better fit with legislative schedules and to ensure the office can complete a comprehensive and quality review of each program, within the office's available resources.

Enacted Law Summary

Public Law 2017, chapter 266 makes changes to the tax expenditure review laws to improve the efficiency and effectiveness of tax expenditure evaluations conducted for the Legislature by the Office of Program Evaluation and Government Accountability. The bill removes statutory deadlines to provide more flexibility in scheduling, completion and reporting on full evaluations to allow for a better fit with legislative schedules and to ensure the office can complete a comprehensive and quality review of each program, within the office's available resources.

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**LD 1581 An Act To Simplify Maine Income Tax by Repealing or Terminating
Certain Tax Credits and the Charitable Contribution Checkoff**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BICKFORD B	ONTP	

This bill, submitted by the Department of Administrative and Financial Services, makes the following changes to the income tax laws.

1. It repeals the Maine Fishery Infrastructure Tax Credit Program and terminates the availability of the corresponding tax credit and related individual and corporate income tax addition modifications for tax years beginning on or after January 1, 2017, except that unused credit amounts from prior tax years carried forward by the taxpayer may be used.
2. It terminates the availability of the tax credit for wellness programs and repeals the related income tax addition modifications for tax years beginning on or after January 1, 2017, except that unused credit amounts from prior tax years carried forward by the taxpayer may be used.
3. It repeals, for tax years beginning on or after January 1, 2017, the individual and corporate income tax subtraction modifications for gain attributable to the sale of eligible timberlands.
4. It repeals the tax credit for adult dependent care expenses and the related adjustment to Maine itemized deductions for tax years beginning on or after January 1, 2017.
5. It repeals the certified visual media production tax credit for tax years beginning on or after January 1, 2017 and removes related cross-references to that credit.
6. It repeals the tax credit for modifications to a homestead to make it accessible to an individual with a disability or physical hardship for tax years beginning on or after January 1, 2017 and removes a related cross-reference to that credit.
7. It repeals the tax credit for disability income protection plans in the workplace for tax years beginning on or after January 1, 2017 and removes related cross-references to that credit.
8. It repeals the voluntary charitable contribution checkoffs, and the requirement that the State Tax Assessor include the checkoffs on the tax form, for the Maine Endangered and Nongame Wildlife Fund, the Companion Animal Sterilization Fund, the Maine Children's Trust Incorporated, the Bone Marrow Screening Fund, the Maine Military Family Relief Fund, the Maine Veterans' Memorial Cemetery Maintenance Fund, the Maine Asthma and Lung Disease Research Fund and the Maine Public Library Fund from Maine individual income tax forms for tax years beginning on or after January 1, 2017 and eliminates funding for the Maine Military Family Relief Fund due to the elimination of the checkoff for that fund.

**LD 1589 An Act To Simplify the Taxation of Leasing Tangible Personal Property
and To Clarify the Incidence of Use Tax**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	ONTP	

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This bill, submitted by the Department of Administrative and Financial Services, makes the following changes to the sales and use tax laws.

Part A moves the point of taxation with respect to leases of tangible personal property from a use tax on the lessor to a sales tax on each lease payment, in order to simplify the law and provide consistency with the tax treatment of leases in other states that impose a sales tax. It updates the Maine Revised Statutes, Title 36, Part 3 to include leases, rentals and lessors in many existing provisions regarding sales and sellers and to add new provisions regarding leases, rentals and lessors that correspond to existing provisions regarding sales and sellers. It also updates sales tax exemptions that currently exempt sales to certain entities to also exempt leases and rentals to those entities. It sources the first lease or rental payment to this State for taxation when the property is received in this State. Subsequent payments are sourced to this State as long as the primary property location for the period covered by the payment is in this State. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part B clarifies when owners of property that has been used outside of Maine are liable for a use tax when the property is brought into Maine. It updates several provisions, enacting a clear 90-day standard for use in Maine to give rise to a use tax liability. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part C terminates, as of December 31, 2017, the ability to claim a motor vehicle excise tax reimbursement for rental vehicles.

LD 1597 An Act To Exempt from Sales Tax the Fee Associated with the Paint Stewardship Program CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BREEN C TUCKER R	OTP-AM ONTP	S-183

This bill exempts from the sales and use tax the fee imposed to fund the paint stewardship program, regardless of whether the fee is paid by a retailer or distributor or passed on to the consumer.

Committee Amendment "A" (S-183)

This amendment provides for proper administration of the exclusion from sales tax of the paint stewardship assessment by providing that the assessment is excluded from the sale price to which the sales tax applies. The amendment includes an effective date and application provision.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 1599 An Act To Improve the Maine Tree Growth Tax Law CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S		

This bill, which is a Governor's bill, makes the following changes to the Maine Tree Growth Tax Law.

1. It includes harvesting as an expressly stated purpose for land in the Maine Tree Growth Tax Law program.

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2. It removes certain items from the definition of forest products that have commercial value under the Maine Tree Growth Tax Law program.
3. It increases the minimum parcel size from 10 acres to 25 acres for the Maine Tree Growth Tax Law program for parcels enrolled on or after April 1, 2018.
4. It authorizes the Department of Agriculture, Conservation and Forestry, Bureau of Forestry to audit parcels of land enrolled in the Maine Tree Growth Tax Law program to ensure compliance of the landowner with the requirements of the program and that the parcel is being managed in substantial compliance with the forest management and harvest plan for that parcel. The bureau is required to order the removal from the program of any parcel that is not substantially compliant with the requirements of the program. The owner of that removed parcel may apply to reclassify the parcel under the farm and open space tax law in the Maine Revised Statutes, Title 36, chapter 105, subchapter 10. The audit provisions are repealed January 1, 2020.
5. It requires the State Tax Assessor to deny reimbursement to a municipality if any parcel of land enrolled in the Maine Tree Growth Tax Law program is not compliant with the program.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1600 An Act To Establish an Opioid Addiction Prevention and Rehabilitation Treatment Program Funded by a Tax Imposed upon the Sale of Opioids **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M BELLOWS S	ONTP OTP-AM	

This bill establishes the Opioid Addiction Prevention and Rehabilitation Program, to be funded by revenue generated by a tax imposed on the sale and distribution of products that contain opioids at the rate of 1¢ per milligram of active opioid ingredient.

Committee Amendment "A" (H-388)

This amendment, which was the minority report, provides that the tax on opioids that the bill proposes must be paid by manufacturers of opioids that are distributed in the State and changes the rate of tax to 0.1¢ per morphine milligram equivalent. The amendment removes wholesalers from the provisions of the bill and a provision basing the tax on the first sale within the State. The amendment excludes from the tax opioids that are used in medication-assisted treatment of substance use disorder and directs the Maine Board of Pharmacy to provide a list of those medications to the State Tax Assessor annually.

The amendment strikes from the bill the section establishing the Opioid Addiction Prevention and Rehabilitation Program and provides that revenue from the tax must be deposited in a special account to be used by the Department of Health and Human Services for the Opioid Health Home Program.

The amendment authorizes the State Tax Assessor to adopt rules to facilitate administration of this tax including requiring pharmacies or other persons in the State to provide information identifying manufacturers of opioids distributed in the State and the volume of opioids distributed by each manufacturer.

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LD 1618 An Act To Support Maine's Working Families through Universal Child Care

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SYLVESTER M	ONTP	

This bill establishes the Universal Child Care Program to ensure universal access to child care, without regard to income, beginning July 1, 2019. In the first year children age one and under are covered; in the second year, children age two and under; and in the third and subsequent years children age three and under are eligible.

The bill establishes the Universal Child Care Trust Fund, which is managed by a board composed of 13 members who represent child care providers and consumers of child care services. After initial appointments members of the board are elected for three-year terms from among their constituent groups. The board selects a director and staff that are responsible for administration of the program. The board receives advice from an advisory committee composed of the Commissioner of Health and Human Services, the Commissioner of Education and the Commissioner of Labor as well as the Treasurer of State, the President of the Senate and the Speaker of the House of Representatives.

Base funding for universal child care is provided from child care subsidies from the Temporary Assistance for Needy Families program and the federal Child Care and Development Fund block grant and other funds designated by the board.

Maine Revenue Services is directed to develop and submit to the Joint Standing Committee on Health and Human Services draft legislation to establish universal child care taxes. The taxes are to be structured to include three elements:

1. A tax on wages that is substantially equivalent to the federal Social Security Act's Old-Age, Survivors, and Disability Insurance program tax, but that applies only to earnings above the annual contribution and benefit base of the federal tax which is \$127,200 in 2017;
2. A self-employment tax applicable to taxpayers who are subject to the federal Self-Employment Contributions Act tax that is equivalent to that tax and applies to net earnings above the annual limit subject to taxation under that federal tax; and
3. A tax equal to the wage and self-employment taxes that is imposed on unearned annual income and that applies in a manner similar to the federal Net Investment Income Tax.

The bill directs the Joint Standing Committee on Health and Human Services to report out a bill to the Second Regular Session of the 128th Legislature to establish universal child care taxes to fully fund the Universal Child Care Program. See also LD 1612, summarized under the Joint Standing Committee on Health and Human Services which contains the same tax-related provisions.

LD 1629 An Act To Protect the Elderly from Tax Lien Foreclosures

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ESPLING E		

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This bill, which is a Governor's bill, creates a preforeclosure process that municipalities must follow in order to successfully foreclose a tax lien on property of a homeowner 65 years of age or older. The preforeclosure process includes active municipal assistance with an abatement application and mediation if necessary to create a reasonable tax payment plan. This bill also creates additional provisions concerning the sale of foreclosed property for all homeowners including allowing a homeowner to pay the tax lien with interest and costs before a tax sale; allowing a homeowner to remain in the home until the sale is completed; requiring the use of a real estate broker when the property is sold; and requiring the return to the homeowner of any net proceeds from the sale after adjustment for taxes owed, interest, fees and other allowable costs.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

**LD 1639 An Act To Promote Major Business Headquarters Expansions in Maine,
Promote the Commercialization of Research and Development in Maine
and Create Jobs**

PUBLIC 297

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T FREDETTE K	OTP-AM	S-294

This bill, which is a Governor's bill, creates a refundable Maine income tax credit for the construction or expansion of major business headquarters in the State if certain investment and employment levels are met. The refundable so-called "headquarters credit" is equal to 2% of the qualified investment per year for 20 years, subject to certain limitations.

In order to be eligible for the credit a business must employ at least 5000 full time employees and at least 25% of the employees must be based in Maine, the business must have locations in at least three other states or countries and it must intend to make an investment of at least \$35,000,000 within five years of the date of application for the credit.

The Commissioner of the Department of Economic and Community Development administers application, certification and eligibility for the credit. The commissioner may not approve more than \$100,000,000 aggregate qualified investment. A certificate of approval may be transferred subject to certain conditions. A certificate of approval must be revoked if the certified applicant or transferee fails to make a qualified investment within 5 years, if the applicant ceases operation of a headquarters in Maine or the certificate is transferred without the commissioner's approval.

The bill also allows a taxpayer receiving the headquarters credit to elect to have any unused credit carry-forward for the research expense tax credit, super credit for substantial expansions of research and development, jobs and investment tax credit and Maine capital investment credit be made refundable for any tax year to the extent of the headquarters credit.

Committee Amendment "A" (S-294)

This amendment makes the following changes to the bill.

1. It removes provisions authorizing a taxpayer receiving the headquarters credit to have any unused credit carry-forward for the research expense tax credit, super credit for substantial expansions of research and development, jobs and investment tax credit and Maine capital investment credit be made refundable for any tax year to the extent of the headquarters credit.
2. It removes from consideration as qualified investments expenditures for employee training and education and payment of student loan debt.

Joint Standing Committee on Taxation

3. It provides that no credit may be claimed in any year in which employment targets are not met. During the first 10 tax years for which the credit is claimed, the employment target is a rolling average of 80 new full-time Maine jobs added per year. In the first year of the credit, the 80 new jobs may include employees added since the first day of the tax year to account for the fact that the certificate of completion may be granted late in the tax year. In years 11 through 20 of the credit, the employment target requires that the 800 jobs created in years one through 10 be sustained. The amendment also provides that new jobs may not be counted to establish eligibility under more than one certificate of completion.
4. It provides that if the certificate of completion is transferred the transferee must meet the same eligibility requirements and conditions as applied to the original certified applicant.
5. It provides that reports by the taxpayer and the State Tax Assessor are public records and provides that the State Tax Assessor must disclose information regarding credits received to the joint standing committee of the Legislature having jurisdiction over taxation matters.
6. It requires the Office of Program Evaluation and Government Accountability to complete a design evaluation review of the credit, identifying the extent to which the design of the credit supports the accomplishment of the credit's purposes, intent and goals, the extent to which benefits are directed to the intended beneficiaries and the extent to which the administration of the credit is efficient and effective. The office is directed to include with its evaluation recommended performance measures for the credit and an identification of the data needed for effective evaluation.
7. It provides that the purpose of the credit is to create high-quality jobs in the State by encouraging the location or expansion of the headquarters of major businesses in the State.
8. It makes technical corrections.

Enacted Law Summary

Public Law 2017, chapter 297 creates a refundable income tax credit for the construction or expansion of major business headquarters in the State if certain investment and employment levels are met. The refundable so-called headquarters credit is equal to 2% of the qualified investment per year for 20 years, and is subject to the following conditions.

1. The business must employ at least 5000 full time employees, and at least 25% of the employees must be based in Maine, the business must have locations in at least three other states or countries and it must intend to make an investment of at least \$35,000,000 within five years of the date of application for the credit.
2. The Commissioner of the Department of Economic and Community Development administers application, certification and eligibility for the credit. The commissioner may not approve more than \$100,000,000 aggregate qualified investment. A certificate of approval may be transferred if the transferee meets the same eligibility requirements and conditions as applied to the original certified applicant. A certificate of approval must be revoked if the certified applicant or transferee fails to make a qualified investment within five years, if the applicant ceases operation of a headquarters in Maine or the certificate is transferred without the commissioner's approval.
3. A credit may not be claimed in any year in which employment targets are not met. During the first 10 tax years for which the credit is claimed, the employment target is a rolling average of 80 new full-time Maine jobs added per year. In the first year of the credit, the 80 new jobs may include employees added since the first day of the tax year to account for the fact that the certificate of completion may be granted late in the tax year. In years 11 through 20 of the credit, the employment target requires that the 800 jobs created in years one through 10 be sustained. The amendment also provides that new jobs may not be counted to establish eligibility under more than one certificate of completion.

Joint Standing Committee on Taxation

4. Reports by the taxpayer and the State Tax Assessor are public records, and the State Tax Assessor must disclose information regarding credits received to the joint standing committee of the Legislature having jurisdiction over taxation matters.

5. The Office of Program Evaluation and Government Accountability is required to complete a design evaluation review of the credit, identifying the extent to which the design of the credit supports the accomplishment of the credit's purposes, intent and goals, the extent to which benefits are directed to the intended beneficiaries and the extent to which the administration of the credit is efficient and effective. The office is directed to include with its evaluation recommended performance measures for the credit and an identification of the data needed for effective evaluation.

6. The law provides that the purpose of the credit is to create high-quality jobs in the State by encouraging the location or expansion of the headquarters of major businesses in the State.

LD 1645 An Act To Reduce the Rate of Tax Imposed on the Rental of Living Quarters

INDEF PP

Sponsor(s)

WINSOR T

Committee Report

Amendments Adopted

This bill was not referred to committee.

This bill provides that the tax imposed on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp is reduced by 1.5 percentage points on November 1, 2017.

Joint Standing Committee on Taxation

SUBJECT INDEX

Administration of Tax Laws

Enacted

LD 583	An Act To Improve the Tax Appeal Process for Maine Businesses and Consumers	PUBLIC 257
LD 1570	An Act To Make Technical Changes to Maine's Tax Laws	PUBLIC 170

Estate Tax

Enacted

LD 72	An Act To Clarify the Tax Laws for Title to Real Estate by Releasing Inheritance Tax Liens	PUBLIC 16
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Not Enacted

LD 1276	An Act To Change the Exemption Amount under the Estate Tax	Died On Adjournment
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Income Tax - General

Enacted

LD 885	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	PUBLIC 24 EMERGENCY
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Not Enacted

LD 291	An Act To Maintain the Income Tax Rate on Persons with Taxable Income above \$200,000	ONTP
LD 337	An Act To Protect Jobs and the Maine Economy by Eliminating the 3% Income Tax Surcharge Imposed on Certain Mainers and the Fund To Advance Public Kindergarten to Grade 12 Education	Died On Adjournment
LD 571	An Act To Eliminate the 3 Percent Surcharge on Certain Income and Provide an Alternative Funding Source for the Fund To Advance Public Kindergarten to Grade 12 Education	Died On Adjournment
LD 784	An Act To Prevent Tax Haven Abuse	Died Between Houses
LD 829	An Act To Increase the Income Tax Surcharge Threshold Imposed on Households	ONTP
LD 851	An Act To Repeal and Subject to Referendum in 2018 the Fund To Advance Public Kindergarten to Grade 12 Education and the 3 Percent Income Tax Surcharge	ONTP

LD 1581	An Act To Simplify Maine Income Tax by Repealing or Terminating Certain Tax Credits and the Charitable Contribution Checkoff	ONTP
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Income Tax Credits, Exemptions, Deductions and Incentives

Enacted

LD 1639	An Act To Promote Major Business Headquarters Expansions in Maine, Promote the Commercialization of Research and Development in Maine and Create Jobs	PUBLIC 297
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Not Enacted

LD 16	An Act To Exempt Certain Individuals Who Are 70 Years of Age or Older from Maine Income Tax	ONTP
LD 77	An Act To Exempt from Maine Income Tax Income Earned by Members of the Armed Services While on Active Duty	ONTP
LD 91	An Act To Provide an Income Tax Credit for Retailers Collecting Sales Tax	ONTP
LD 205	An Act To Exempt Certain International Athletic Competition Prizes from Maine Income Tax	ONTP
LD 330	An Act To Provide an Income Tax Credit for Employer Contributions to Section 529 Qualified Tuition Programs	ONTP
LD 368	An Act To Welcome Statewide Economic Investment	ONTP
LD 442	An Act To Create a Family Caregiver Income Tax Credit	CARRIED OVER
LD 513	An Act To Increase the Maximum Pension Deduction for State Income Tax	CARRIED OVER
LD 620	An Act To Restore the Tax Deduction for Contributions to College Savings Accounts	Majority (ONTP) Report
LD 621	An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code	ONTP
LD 781	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	CARRIED OVER
LD 783	An Act Regarding Business Income Tax	ONTP
LD 928	An Act Requiring a Dynamic Fiscal Analysis of Changes to Visual Media Production Tax Credits and Reimbursements	Majority (ONTP) Report
LD 935	An Act To Exempt from Taxation Certain Out-of-state Pensions	Majority (ONTP) Report
LD 946	An Act To Provide an Income Tax Credit for Students Returning to College	Majority (ONTP) Report
LD 947	An Act To Support Employees with Significant Commutes	Died Between Houses
LD 1123	An Act To Allow an Income Tax Deduction for Interest Paid on Student Loans	Majority (ONTP) Report
LD 1144	An Act To Support Maine Families by Increasing the Dependent Care Credit	Died Between Houses

LD 1247	An Act To Repeal the Income Tax on Pick-up Contributions Paid to the Maine Public Employees Retirement System and To Clarify the Taxation of Pick-up Contributions Distributed in the Form of a Rollover	Died On Adjournment
LD 1287	An Act To Strengthen Efforts To Recruit and Retain Primary Care Professionals and Dentists in Rural and Underserved Areas of the State	CARRIED OVER
LD 1317	An Act To Encourage Family-friendly Businesses through a Tax Credit for Child Care	CARRIED OVER
LD 1338	An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses	CARRIED OVER
LD 1450	An Act To Promote Workforce Development and Provide an Economic Stimulus for Maine-based Filmmakers and Supporting Businesses	Died Between Houses
LD 1461	An Act To Encourage the Construction of Affordable Housing	CARRIED OVER
LD 1537	An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents	CARRIED OVER

Motor Vehicle Excise Tax

Not Enacted

LD 26	An Act To Lower the Maine Motor Vehicle Excise Tax	ONTP
LD 204	An Act To Exempt Veterans with ALS from the Excise Tax on Automobiles	ONTP
LD 338	An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax	Majority (ONTP) Report
LD 707	An Act To Base the Motor Vehicle Excise Tax on the Purchase Price of the Motor Vehicle	ONTP

Multiple Taxes

Enacted

LD 1551	An Act To Amend the Maine Tax Laws	PUBLIC 211
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Municipal Revenue Sharing

Not Enacted

LD 74	An Act To Realign the State-Municipal Revenue Sharing Distribution	ONTP
LD 133	An Act To Support Lower Property Taxes by Restoring State-Municipal Revenue Sharing	Died On Adjournment
LD 492	An Act To Restore Revenue Sharing	ONTP
LD 875	An Act To Reduce Property Taxes	ONTP
LD 1227	An Act To Restore to Five Percent the State-Municipal Revenue Sharing Distribution and Create a Matching Fund for Local Road and Bridge Construction, Maintenance and Reconstruction	ONTP

Other Taxes

Not Enacted

LD 235	An Act To Repeal the Service Provider Tax	ONTP
LD 290	An Act To Phase Out the Insurance Premium Tax on Annuities	Died On Adjournment
LD 493	An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs	Majority (ONTP) Report
LD 541	An Act Regarding the Commercial Forestry Excise Tax	Died Between Houses
LD 708	An Act To Use Taxes on Nonmedical Marijuana and Increase the Tax on Cigarettes To Partially Offset the 3% Income Tax Surcharge	ONTP
LD 945	An Act To Reduce the Burden of Tobacco-related Illness by Increasing Revenue from the Cigarette Tax for Use for Tobacco Cessation	Died On Adjournment
LD 1283	An Act To Modernize the Mining Excise Tax	CARRIED OVER
LD 1285	An Act To Tax Political Expenditures Made Immediately before an Election	Majority (ONTP) Report
LD 1548	An Act To Establish the Let's Grow Maine Program	Died Between Houses
LD 1549	An Act To Create a Tax on the Production of Electricity from Wind Resources	ONTP
LD 1550	An Act To Tax Sugar-sweetened Beverages To Fund Programs To Provide Resources for Veterans and Others	ONTP
LD 1600	An Act To Establish an Opioid Addiction Prevention and Rehabilitation Treatment Program Funded by a Tax Imposed upon the Sale of Opioids	Majority (ONTP) Report
LD 1618	An Act To Support Maine's Working Families through Universal Child Care	ONTP

Property Tax - Current Use

Enacted

LD 117	An Act To Strengthen the Farm and Open Space Tax Law	PUBLIC 183
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Not Enacted

LD 1488	An Act To Require That Landowners with Property Enrolled in the Tree Growth Tax Program Receive Timely Notice of Changes in Valuation of That Property	ONTP
LD 1599	An Act To Improve the Maine Tree Growth Tax Law	CARRIED OVER

Property Tax - Exemptions

Not Enacted

LD 73	An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age	Majority (ONTP) Report
LD 82	An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax	Died On Adjournment
LD 289	An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty	CARRIED OVER
LD 727	An Act To Protect the Tax Base of Municipalities by Removing the Property Tax Exemption for Land Held for Conservation or Public Access Purposes	Majority (ONTP) Report
LD 1076	An Act To Replace Municipal Property Tax Revenue Lost Due to Land Acquisitions under the Land for Maine's Future Fund	ONTP
LD 1121	An Act Regarding the Exclusive Use of Tax Exempt Property	Majority (ONTP) Report
LD 1195	An Act To Allow Municipalities To Opt Out of the Collection and Assessment of Personal Property Taxes	ONTP
LD 1212	An Act To Amend the Definition of "Eligible Business Equipment" for the Purposes of the Business Equipment Tax Exemption Program	CARRIED OVER
LD 1246	An Act To Provide Landowners a Property Tax Exemption for Certain Trails	ONTP

Property Tax - General

Enacted

LD 1180	An Act To Provide a Definition of "Primary Residence" for Purposes of Property Tax Abatements Based on Hardship or Poverty	PUBLIC 273
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Not Enacted

LD 904	An Act To Require the County Commissioners To Adjust the Assessed Value of a Municipality When They Grant an Abatement Request	ONTP
LD 1172	An Act To Repeal the Maine Personal Property Tax	Majority (ONTP) Report
LD 1270	An Act To Allow Municipalities To Include Itemized Fees on Property Tax Bills	ONTP
LD 1479	An Act To Modernize and Improve Maine's Property Tax System	CARRIED OVER
LD 1521	An Act To Amend the Property Tax Laws	Majority (ONTP) Report
LD 1629	An Act To Protect the Elderly from Tax Lien Foreclosures	CARRIED OVER

Property Tax Relief Programs

Not Enacted

LD 874	An Act To Expand the Authority of Municipalities To Implement a Property Tax Deferral Program	Majority (ONTP) Report
LD 887	An Act To Provide Relief to Maine Property Tax Payers	ONTP
LD 915	An Act To Lower Property Taxes	ONTP
LD 959	An Act To Expand Property Tax Relief for Maine Residents	Majority (ONTP) Report
LD 974	An Act To Increase the Homestead Exemption	Died On Adjournment
LD 1196	An Act To Assist Seniors and Certain Persons with Disabilities in Paying Property Taxes	CARRIED OVER

Sales Tax

Enacted

LD 1405	An Act To Require Remote Sellers To Collect and Remit Sales and Use Tax on Sales into Maine	PUBLIC 245
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Not Enacted

LD 116	An Act To Increase Funding for Multimodal Transportation	Died Between Houses
LD 741	An Act To Provide Equity in Education Funding	Leave to Withdraw Pursuant to Joint Rule 310
LD 1106	RESOLUTION, Proposing an Amendment to the Constitution of Maine To Dedicate All Sales Taxes from All Vehicle Sales and Any Vehicle-related Sales to the Highway Fund for Roads and Bridge Capital Improvements	Died Between Houses
LD 1230	An Act To Allow a Local Option Sales Tax on Meals and Lodging	ONTP
LD 1265	An Act To Allow the Creation of a Local Option Sales Tax by Referendum	ONTP
LD 1522	An Act To Authorize a Local Option Sales Tax	Minority (ONTP) Report
LD 1589	An Act To Simplify the Taxation of Leasing Tangible Personal Property and To Clarify the Incidence of Use Tax	ONTP
LD 1645	An Act To Reduce the Rate of Tax Imposed on the Rental of Living Quarters	INDEF PP

Sales Tax Exemptions, Exclusions or Refunds

Not Enacted

LD 27	An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax	CARRIED OVER
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LD 75	An Act To Provide a Sales Tax Exemption for Materials and Equipment That Enable Older Persons and Persons with Disabilities To Remain in Their Homes	ONTP
LD 76	An Act To Exempt Diapering Products from the Sales Tax	Died Between Houses
LD 79	An Act To Provide a Sales Tax Exemption for Career and Technical Student Organizations	CARRIED OVER
LD 206	An Act To Exempt Feminine Hygiene Products from Sales Tax	Died On Adjournment
LD 664	An Act To Exempt Gold and Silver Coins and Bullion from Sales Tax	ONTP
LD 782	An Act To Provide a Sales Tax Exemption for Certain Nonprofit Organizations Supporting Veterans	Died On Adjournment
LD 1023	An Act To Provide a Sales Tax Exemption for Baling Twine	Veto Sustained
LD 1027	An Act Regarding the Taxation of Certain Nonprofit Organizations	Veto Sustained
LD 1597	An Act To Exempt from Sales Tax the Fee Associated with the Paint Stewardship Program	CARRIED OVER

Tax Expenditure Review

Enacted

LD 1572	An Act To Implement Recommendations of the Government Oversight Committee To Improve the Efficiency and Effectiveness of Legislative Reviews of Tax Expenditures	PUBLIC 266
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Not Enacted

LD 1245	An Act To Ensure the Effectiveness of Tax Expenditures	ONTP
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Tax Increment Financing

Not Enacted

LD 779	An Act To Allow Aroostook County To Create Tax Increment Financing Districts	ONTP
LD 1071	An Act To Modify the Tax Increment Financing Laws	ONTP
LD 1565	An Act To Ensure the Effectiveness of Tax Increment Financing	CARRIED OVER

Tax Reform - Restructuring

Not Enacted

LD 311	An Act To Eliminate Corporate Welfare and Provide Tax Relief	ONTP
LD 733	An Act Regarding Maine's Tax Code	Leave to Withdraw Pursuant to Joint Rule 310
LD 936	An Act To Modernize and Simplify the Tax Code	ONTP

Unorganized Territory

Enacted

LD 1078	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2017-18	PUBLIC 121 EMERGENCY
LD 1289	An Act To Allow Voluntary Payments in Lieu of Taxes in the Unorganized Territory	PUBLIC 193
LD 1421	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	RESOLVE 11