

Shaded LDs have been voted on by the Committee

# PH 5/13/21

**TAXATION COMMITTEE**

jsj

**130<sup>th</sup> LEGISLATURE  
1st REG SESSION**

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
1382	1686	5/13		Collings	An Act To Invest in Maine's Roads and Bridges	<p>This bill <u>increases fuel taxes</u> by:                      4¢/gallon beginning October 1, 2021,                      an additional 3¢/gallon beginning 10/1/22,                      an additional 3¢/gallon beginning 10/1/23 and an                      additional 2¢/gallon beginning 10/1/24.</p> <p>The bill also establishes a <u>refundable income tax credit of \$100 for individuals with FAGI that is lower than the federal poverty level.</u></p>			
1423	1104	5/13		McCreight	An Act To Prevent and Reduce Tobacco Use by Ensuring Adequate Funding for Tobacco Use Prevention and Cessation Programs and by Raising the Tax on Tobacco Products and To Provide Funding To Reduce Disparities in Health Outcomes Based on Certain Factors	<p>This bill ensures <u>future funding for the Tobacco Prevention and Control Program</u> administered by the Department of Health and Human Services, Bureau of Health may not be less than the lesser of:</p> <ol style="list-style-type: none"> <li>1. the actual revenue collected on the sales of all tobacco products plus available funds in the Fund for a Healthy Maine or</li> <li>2. the amount of funding for state tobacco control programs as determined by the US DHHS, Centers for Disease Control and Prevention and recommended for Maine,</li> </ol> <p>This bill <u>increases the cigarette tax from \$2.00 per pack of 20 cigarettes to \$4.00 per pack of 20 cigarettes, beginning November 1, 2021.</u> Because the tax on other tobacco products is determined by the tax on cigarettes, this bill, by operation of law, <u>increases the tax on other tobacco products, such as cigars and smokeless tobacco, by the same percentage change as the increase in the tax on cigarettes.</u></p> <p>Finally, this bill provides <u>funding in fiscal years 2021-22 and 2022-23 to Maine CDCP as follows:</u></p>			

<sup>1</sup> . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

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						<ol style="list-style-type: none"> <li>1. For the purposes of tobacco use prevention and cessation, \$7,000,000 annually in order to attain the amount of funding recommended by the federal Centers for Disease Control and Prevention; and</li> <li>2. To allow the center to research, identify and reduce health disparities in health care outcomes based on race, ethnicity, sexual orientation, gender identification, income, educational attainment or geographic location, \$10,000,000 annually, but only for the 2022-2023 biennium.</li> </ol>			
1524	1459	5/13		Collings	An Act To Amend the Maine Exclusion Amount in the Estate Tax	<p>This bill returns the exclusion amount, below which the Maine estate tax does not apply, to <u>\$2,000,000</u> from the \$5,600,000 in current law for estates of decedents dying on or after January 1, 2022.</p> <p>This bill also creates an <u>additional exclusion amount</u> of up to \$3,800,000 from the estate tax for:</p> <ol style="list-style-type: none"> <li>1. <u>family farms and</u></li> <li>2. <u>aquaculture,</u></li> <li>3. <u>fishing and</u></li> <li>4. <u>wood harvesting businesses</u></li> </ol> <p>This additional exclusion applies to</p> <ol style="list-style-type: none"> <li>1. farmland</li> <li>2. depreciable machinery and equipment used in agriculture, aquaculture, fishing or wood harvesting</li> <li>3. that is inherited by a family member and</li> <li>4. remains in commercial use for 5 years following transfer.</li> </ol> <p>Both the \$2,000,000 exclusion amount and the \$3,800,000 additional exclusion <u>amount are annually adjusted for inflation beginning in 2024.</u></p>			

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1638	201	5/13		Bailey	An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes	<p>This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991.</p> <p>The bill modifies the program to include</p> <ol style="list-style-type: none"> <li>1. households with at least one individual who is 65 years of age or older or who is unable to continue employment due to disability and to surviving spouses who are unable to continue employment due to disability and</li> <li>2. provides that income must be less than \$40,000.</li> </ol> <p>The bill also <u>changes the rate of accrual of interest</u> on deferred property taxes from 6% to the prime rate published in the Wall Street Journal rounded up to the next whole percent minus one percentage point.</p> <p>The bill <u>adds a maximum liquid asset standard</u> for eligibility of property owners and provides that property may not be subject to deferral under both the state deferral program and a municipal deferral program.</p> <p>The bill also facilitates the administration of the deferral of property taxes for seniors and certain persons with disabilities, including <u>expanding the authority of guardians to include an agent under a power of attorney or pursuant to a protective arrangement or any other lawful order.</u></p> <p>The bill requires <u>transfers from the Property Tax Relief Fund for Maine Residents in case there are not sufficient funds to pay for the property tax deferral program;</u> current law requires transfers from the General Fund.</p> <p>In the event that there are not sufficient funds in the Property Tax Relief Fund for Maine Residents, the bill requires that <u>additional transfers be made from the Housing Opportunities for Maine Fund to cover the shortfall.</u></p> <p>This bill <u>requires repayment of those transfers,</u> with interest, first to the Housing Opportunities for Maine Fund and then to the Property Tax Relief Fund when there are sufficient funds available for those reimbursements.</p>			

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1677	743	5/13		Fecteau	An Act To Support Frontline Workers by Adding a Temporary Tax Bracket Affecting High Earners	<p>This bill establishes a <u>temporary 3% income tax surcharge individual filers with income over</u>  \$200,000 single married filing separately  \$350,000 heads of households  \$500,000 for married joint and surviving spouses</p> <p>Surcharge <u>applies in tax years beginning 2021 and 2022.</u></p> <p><u>Revenue from the surcharge goes to fund created by the bill to fund grants to frontline workers as provided in the bill.</u></p> <p>This bill requires the Department of Labor to create the a <u>program to provide grants to frontline workers.</u></p> <p>Frontline workers are who are those workers who conduct an operation, service or function that is essential to ensuring the continuity of critical functions, including, without limitation, health care workers, firefighters, law enforcement officers, corrections officers, food and agricultural workers, United States Postal Service workers, manufacturing workers, grocery store workers, public transit workers and persons who work in the educational sector, such as teachers, support staff or child care workers.</p>			

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<p>PLEASE NOTE</p> <p>LD 1704 is not being heard today. It will be heard on 5/18. It is included in this chart because it is similar to LD 1524 and the chairs may allow persons testifying on LD 1524 to also comment on this LD 1704</p>									
1704	1805			Talbot Ross	An Act To Change the Exclusion Amount under the Estate Tax and Provide Additional Funding for the Housing Opportunities for Maine Fund	<p>This bill <u>reduces the exclusion amount, below which the Maine estate tax does not apply, to \$1,000,000 from \$5,600,000 for estates of decedents dying on or after January 1, 2022 and removes the annual adjustment for inflation of that exclusion amount.</u></p> <p>The bill creates an <u>additional exclusion amount from the estate tax for family farms and aquaculture, fishing and wood harvesting businesses of up to \$3,800,000.</u> This additional exclusion applies to farmland or depreciable machinery and equipment used in agriculture, aquaculture, fishing or wood harvesting that is inherited by a family member and remains in commercial use for 5 years following transfer.</p> <p>The Treasurer of State must credit <u>50% of the revenue generated by the reduction in the exclusion amount beginning January 1, 2022 to the General Fund and 50% the Maine State Housing Authority.</u> The Maine State Housing Authority must deposit the funds credited to it in the Housing Opportunities for Maine Fund.</p> <p>The bill directs the <u>Maine State Housing Authority in consultation with the Permanent Commission on the Status of Racial, Indigenous and Maine Tribal Populations to develop a racial equity assessment tool to use when evaluating project funding and report to the Joint Standing Committee on Labor and Housing on the development of this tool no later than October 1, 2022.</u></p>			