

STATE OF MAINE  
130<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Disposition of bills and summaries of all laws enacted or finally passed

**JOINT STANDING COMMITTEE ON TAXATION**

July 2022

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# *Joint Standing Committee on Taxation*

## **SUBJECT INDEX**

### **Administration of Tax Laws**

#### **Enacted**

- |         |  |            |
|---------|--|------------|
| LD 1757 | An Act To Make Technical Changes to Maine Tax Laws | PUBLIC 531 |
| LD 1917 | An Act To Amend the Tax Laws of the State          | PUBLIC 630 |

#### **Not Enacted**

- |         |  |                        |
|---------|--|------------------------|
| LD 1067 | An Act To Institute a State Tax Amnesty Program To Increase General Revenue Collections  | ONTP                   |
| LD 2009 | An Act To Implement the Recommendations of the Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature | Died On<br>Adjournment |

### **Estate Tax**

#### **Not Enacted**

- |         |  |                        |
|---------|--|------------------------|
| LD 1704 | An Act To Require a Portion of Estate Tax Revenue To Be Transferred to the Housing Opportunities for Maine Fund for the Creation of New Affordable Housing for Low-income Households | Died On<br>Adjournment |
|---------|--|------------------------|

### **Income Tax - General**

#### **Enacted**

- |        |   |             |
|--------|---|-------------|
| LD 428 | Resolve, Directing Maine Revenue Services To Review and Report Regarding Worldwide Combined Reporting of Certain Corporations for Income Tax Purposes | RESOLVE 170 |
|--------|---|-------------|

### **Income Tax - Reform**

#### **Not Enacted**

- |         |   |      |
|---------|---|------|
| LD 1289 | An Act To Cut Property Taxes for Maine Residential Homeowners | ONTP |
|---------|---|------|

### **Income Tax Conformity**

#### **Enacted**

- |         |  |            |
|---------|--|------------|
| LD 1763 | An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes | PUBLIC 594 |
|---------|--|------------|

## *Income Tax Credits, Exemptions, Deductions and Incentives*

### Enacted

LD 23	An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans	PUBLIC 707
LD 201	An Act To Reduce Greenhouse Gas Emissions and Promote Weatherization in the Buildings Sector by Extending the Sunset Date for the Historic Property Rehabilitation Tax Credit	PUBLIC 671
LD 731	An Act To Establish a Program To Assist Regional Firefighter Training Programs, To Provide Tax Credits to Businesses That Employ Volunteer Firefighters and Emergency Medical Services Persons and To Provide Benefits to Volunteer Firefighters and Emergency Medical Services Persons	PUBLIC 731
LD 1156	An Act To Reduce Errors in Employment Tax Increment Financing Benefits	PUBLIC 602
LD 1764	An Act To Make a Technical Correction Concerning Maine's Earned Income Tax Credit	PUBLIC 493
LD 1937	An Act To Clarify the Exemption from Income Tax and Withholding Tax Liability for Certain Out-of-state Suppliers of Spirits Purchased by the Bureau of Alcoholic Beverages and Lottery Operations	PUBLIC 756
LD 1986	An Act To Provide Property Tax Relief for Permanently and Totally Disabled Veterans	PUBLIC 703

### Not Enacted

LD 241	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	Died On Adjournment
LD 262	An Act To Combat Hunger by Creating an Income Tax Credit of up to \$5,000 Annually for Businesses Engaged in Food Production for Donations to Tax-exempt Organizations	Died On Adjournment
LD 308	An Act To Promote Research and Development in the State by Increasing and Marketing the Research Expense Tax Credit	ONTP
LD 798	An Act To Improve the Educational Opportunity Tax Credit	Died On Adjournment
LD 1227	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	Died On Adjournment
LD 1334	An Act To Promote Economic Development through Increased Film Incentives	ONTP
LD 1406	An Act To Encourage the Relocation of Persons from outside the State to Rural Maine	Enactment Failed

LD 1413	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	Died On Adjournment
LD 1678	An Act To Support Child Care Providers and School Readiness through Tax Credits	Died On Adjournment
LD 1919	An Act To Encourage Job Growth in the Forest Products Sector through Tax Incentives	Veto Sustained
LD 1941	Resolve, Establishing the Working Group To Review and Recommend Improvements to the Seed Capital Investment Tax Credit	Died On Adjournment

### **Municipal Revenue Sharing**

**Not Enacted**

LD 328	An Act To Fully Fund and Restore State-Municipal Revenue Sharing	Died On Adjournment
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### **Other Taxes**

**Enacted**

LD 484	An Act Relating to the Housing Opportunities for Maine Fund	PUBLIC 753
LD 1195	An Act To Assist Qualifying Municipalities To Defray the Costs of Opting In To Permit Adult Use Marijuana Establishments	PUBLIC 645
LD 1569	Resolve, Establishing the Commission To Study the Role of Water as a Resource in the State of Maine	RESOLVE 185
LD 2010	Resolve, To Help Certain Businesses with Electricity Costs	RESOLVE 168

**Not Enacted**

LD 527	An Act To Exempt MaineCare Appendix C Private Nonmedical Institutions from the Service Provider Tax	Died On Adjournment
LD 830	An Act To Restructure the Taxation of Adult Use Marijuana	Died On Adjournment
LD 1062	An Act To Phase Out the Insurance Premium Tax on Annuities	Died On Adjournment
LD 1337	An Act To Increase Affordable Housing and Reduce Property Taxes through an Impact Fee on Vacant Residences	Majority (ONTP) Report
LD 1423	An Act To Align Tobacco Use Prevention and Cessation Funding with Recommendations of the United States Centers for Disease Control and Prevention	Died On Adjournment

### **Property Tax - Exemptions**

**Enacted**

LD 290	An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years	PUBLIC 751
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#### *Taxation*

	LD 647	An Act To Expand Eligibility for the Veterans' Property Tax Exemption	PUBLIC 682
<b>Not Enacted</b>	LD 576	An Act To Increase Property Tax Relief for Veterans	Died On Adjournment
	LD 1071	An Act To Reduce Property Taxes for Maine Residents	Died On Adjournment
	LD 1289	An Act To Cut Property Taxes for Maine Residential Homeowners	ONTP
	LD 1448	An Act To Increase the Homestead Property Tax Exemption	Died On Adjournment
	LD 1482	An Act To Improve Access to Property Tax Exemptions for New Homeowners	Died On Adjournment

### **Property Tax - Valuation**

<b>Enacted</b>	LD 1129	An Act Relating to the Valuation of Improved Real Property	PUBLIC 663
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### **Property Tax Relief Programs**

<b>Not Enacted</b>	LD 1638	An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes	Died On Adjournment
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### **Sales and Use Tax**

<b>Enacted</b>	LD 1890	An Act To Equalize Sales Tax Treatment of Certain Vehicles	PUBLIC 578
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<b>Not Enacted</b>	LD 80	An Act To Provide Critical Communications for Family Farms, Businesses and Residences by Strategic Public Investment in High-speed Internet and Broadband Infrastructure	ONTP
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### **Sales Tax Exemptions, Exclusions or Refunds**

<b>Enacted</b>	LD 506	An Act To Reduce the Tax Burden on Low-income Electricity Customers	PUBLIC 713
	LD 1732	An Act To Amend the Sales Tax Exemption for Nonprofit Housing Development Organizations	PUBLIC 695
	LD 2030	An Act To Provide for Reimbursement of the Sales Tax Paid on Certain Battery Energy Storage Systems	PUBLIC 758

#### ***Taxation***

**Not  
Enacted**

LD 538	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	Died On Adjournment
LD 1335	An Act To Provide for Exemption from the Sales Tax for Menstrual Products	Died On Adjournment
LD 1462	An Act To Serve the Public Interest, Promote Journalism and Save Jobs by Restoring the Sales and Use Tax Exemption for Publications	Died On Adjournment
LD 1689	An Act To Ensure Equity in the Clean Energy Economy by Providing a Limited Tax Exemption for Certain Clean Energy Infrastructure Projects	ONTP

**Tax Reform - Restructuring**

**Not  
Enacted**

LD 276	An Act To Improve and Update Maine's Tax Laws	ONTP
LD 392	An Act To Amend the Tax Laws	ONTP
LD 966	Resolve, Establishing the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses To Enable the Implementation of the State's 10-year Economic Development Strategy	Died On Adjournment

**Unorganized Territory**

**Enacted**

LD 1794	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	RESOLVE 123
LD 1987	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2022-23	PUBLIC 624





**DIGEST OF BILLS**  
**130th Legislature, Second Regular Session - 2022**

PL = Public Law  
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**Taxation (TAX)**

Comm	LD	Title	Comm Action	Carried Over from Prior Year?	Date of Last Comm Action	Final Disposition	Enacted Law		Analyst Note?
							Law	Ch	
TAX	23	An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans	Reported Out	OTP-AM/ ONTP	5/3/21	Enacted	PL	707	
TAX	80	An Act To Provide Critical Communications for Family Farms, Businesses and Residences by Strategic Public Investment in High-speed Internet and Broadband Infrastructure	Reported Out	ONTP	3/21/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	201	An Act To Reduce Greenhouse Gas Emissions and Promote Weatherization in the Buildings Sector by Extending the Sunset Date for the Historic Property Rehabilitation Tax Credit	Reported Out	OTP-AM	4/26/21	Enacted	PL	671	
TAX	241	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	Reported Out	OTP-AM	6/9/21	Died On Adjournment			
TAX	262	An Act To Combat Hunger by Creating an Income Tax Credit of up to \$5,000 Annually for Businesses Engaged in Food Production for Donations to Tax-exempt Organizations	Reported Out	OTP-AM/ ONTP	6/10/21	Died On Adjournment			
TAX	276	An Act To Improve and Update Maine's Tax Laws	Reported Out	ONTP	2/18/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	290	An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years	Reported Out	ONTP/ OTP-AM	6/8/21	Enacted	PL	751	
TAX	308	An Act To Promote Research and Development in the State by Increasing and Marketing the Research Expense Tax Credit	Reported Out	ONTP	3/17/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	328	An Act To Fully Fund and Restore State-Municipal Revenue Sharing	Reported Out	OTP-AM/ ONTP	4/20/21	Died On Adjournment			

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**Taxation (TAX)**

Comm	LD	Title	Comm Action	Carried Over from Prior Year?	Date of Last Comm Action	Final Disposition	Enacted Law		Analyst Note?
							Law	Ch	
TAX	392	An Act To Amend the Tax Laws	Reported Out	Carried Over In Comm	2/18/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	428	Resolve, Directing Maine Revenue Services To Review and Report Regarding Worldwide Combined Reporting of Certain Corporations for Income Tax Purposes	Reported Out	Carried Over In Comm	4/6/22	Finally Passed	RESLV	170	
TAX	484	An Act Relating to the Housing Opportunities for Maine Fund	Reported Out	Carried Over In Comm	4/11/22	Enacted	PL	753	
TAX	506	An Act To Reduce the Tax Burden on Low-income Electricity Customers	Reported Out	Carried On Approps Table	6/2/21	Enacted	PL	713	
TAX	527	An Act To Exempt MaineCare Appendix C Private Nonmedical Institutions from the Service Provider Tax	Reported Out	Carried On Approps Table	5/17/21	Died On Adjournment			
TAX	538	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	Reported Out	Carried On Approps Table	4/15/21	Died On Adjournment			
TAX	576	An Act To Increase Property Tax Relief for Veterans	Reported Out	Carried On Approps Table	6/1/21	Died On Adjournment	PL		
TAX	647	An Act To Expand Eligibility for the Veterans' Property Tax Exemption	Reported Out	Carried On Approps Table	6/3/21	Enacted	PL	682	
TAX	731	An Act To Establish a Program To Assist Regional Firefighter Training Programs, To Provide Tax Credits to Businesses That Employ Volunteer Firefighters and Emergency Medical Services Persons and To Provide Benefits to Volunteer Firefighters and Emergency Medical Services Persons	Reported Out	Carried On Approps Table	6/4/21	Enacted	PL	731	

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**Taxation (TAX)**

Comm	LD	Title	Comm Action	Carried Over from Prior Year?	Date of Last Comm Action	Final Disposition	Enacted Law		Analyst Note?
							Law	Ch	
TAX	798	An Act To Improve the Educational Opportunity Tax Credit	Reported Out	OT-P-AM	Carried Over In Comm	3/18/22	Died On Adjournment		
TAX	830	An Act To Restructure the Taxation of Adult Use Marijuana	Reported Out	OT-P-AM/ ONTP	Carried On Approps Table	5/27/21	Died On Adjournment		
TAX	966	Resolve, Establishing the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses To Enable the Implementation of the State's 10-year Economic Development Strategy	Reported Out	OT-P-AM/ ONTP	Carried On Approps Table	6/10/21	Died On Adjournment		
TAX	1062	An Act To Phase Out the Insurance Premium Tax on Annuities	Reported Out	OT-P-AM/ ONTP	Carried On Approps Table	5/3/21	Died On Adjournment		
TAX	1067	An Act To Institute a State Tax Amnesty Program To Increase General Revenue Collections	Reported Out	ONTP	Carried Over In Comm	2/10/22	Ought Not to Pass Pursuant to Joint Rule 310		
TAX	1071	An Act To Reduce Property Taxes for Maine Residents	Reported Out	OT-P-AM/ OT-P-AM	Carried On Approps Table	6/9/21	Died On Adjournment		
TAX	1129	An Act Relating to the Valuation of Improved Real Property	Reported Out	ONTP	Carried Over In Comm	3/1/22	Enacted	PL	663
TAX	1156	An Act To Reduce Errors in Employment Tax Increment Financing Benefits	Reported Out	OT-P-AM	Carried Over In Comm	3/30/22	Enacted	PL	602
TAX	1195	An Act To Assist Qualifying Municipalities To Defray the Costs of Opting In To Permit Adult Use Marijuana Establishments	Reported Out	OT-P-AM/ ONTP	Carried Over In Comm	4/14/22	Enacted	PL	645

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**Taxation (TAX)**

Comm	LD	Title	Comm Action	Carried Over from Prior Year?	Date of Last Comm Action	Final Disposition	Enacted Law		Analyst Note?
							Law	Ch	
TAX	1227	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	Reported Out	Carried On Approps Table	6/2/21	Died On Adjournment			
TAX	1289	An Act To Cut Property Taxes for Maine Residential Homeowners	Reported Out	Carried Over In Comm	2/10/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	1334	An Act To Promote Economic Development through Increased Film Incentives	Reported Out	Carried Over In Comm	3/3/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	1335	An Act To Provide for Exemption from the Sales Tax for Menstrual Products	Reported Out	Carried On Approps Table	6/7/21	Died On Adjournment			
TAX	1337	An Act To Increase Affordable Housing and Reduce Property Taxes through an Impact Fee on Vacant Residences	Reported Out	Carried Over In Comm	3/1/22	Accepted Majority (ONTP) Report			
TAX	1406	An Act To Encourage the Relocation of Persons from outside the State to Rural Maine	Reported Out	Carried Over In Comm	4/25/22	Enactment Failed			
TAX	1413	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	Reported Out	Carried On Approps Table	6/2/21	Died On Adjournment			
TAX	1423	An Act To Align Tobacco Use Prevention and Cessation Funding with Recommendations of the United States Centers for Disease Control and Prevention	Reported Out	Carried Over In Comm	3/18/22	Died On Adjournment			
TAX	1448	An Act To Increase the Homestead Property Tax Exemption	Reported Out	Carried On Approps Table	6/2/21	Died On Adjournment			

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**Taxation (TAX)**

Comm	LD	Title	Comm Action	Carried Over from Prior Year?	Date of Last Comm Action	Final Disposition	Enacted Law		Analyst Note?
							Law	Ch	
TAX	1462	An Act To Serve the Public Interest, Promote Journalism and Save Jobs by Restoring the Sales and Use Tax Exemption for Publications	Reported Out	ONTP/ OTP-AM	6/8/21	Died On Adjournment			
TAX	1482	An Act To Improve Access to Property Tax Exemptions for New Homeowners	Reported Out	OTP-AM	5/26/21	Died On Adjournment			
TAX	1569	Resolve, Establishing the Commission To Study the Role of Water as a Resource in the State of Maine	Reported Out	OTP-AM/ ONTP	6/15/21	Finally Passed	RESLV	185	
TAX	1638	An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes	Reported Out	OTP-AM	6/16/21	Died On Adjournment			
TAX	1678	An Act To Support Child Care Providers and School Readiness through Tax Credits	Reported Out	OTP-AM/ ONTP	3/28/22	Died On Adjournment			
TAX	1689	An Act To Ensure Equity in the Clean Energy Economy by Providing a Limited Tax Exemption for Certain Clean Energy Infrastructure Projects	Reported Out	ONTP	3/3/22	Ought Not to Pass Pursuant to Joint Rule 310			
TAX	1704	An Act To Require a Portion of Estate Tax Revenue To Be Transferred to the Housing Opportunities for Maine Fund for the Creation of New Affordable Housing for Low-income Households	Reported Out	OTP-AM/ ONTP	3/28/22	Died On Adjournment			
TAX	1732	An Act To Amend the Sales Tax Exemption for Nonprofit Housing Development Organizations	Reported Out	OTP-AM/ OTP-AM	3/25/22	Enacted	PL	695	
TAX	1757	An Act To Make Technical Changes to Maine Tax Laws	Reported Out	OTP-AM	3/1/22	Enacted	PL	531	
TAX	1763	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	Reported Out	OTP-AM	3/30/22	Emergency Enacted	PL	594	

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**Taxation (TAX)**

Comm	LD	Title	Comm Action	Carried Over from Prior Year?	Date of Last Comm Action	Final Disposition	Enacted Law		Analyst Note?
							Law	Ch	
TAX	1764	An Act To Make a Technical Correction Concerning Maine's Earned Income Tax Credit	Reported Out		1/25/22	Emergency Enacted	PL	493	
TAX	1794	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	Reported Out		1/25/22	Finally Passed	RESLV	123	
TAX	1890	An Act To Equalize Sales Tax Treatment of Certain Vehicles	Reported Out		3/25/22	Enacted	PL	578	
TAX	1917	An Act To Amend the Tax Laws of the State	Reported Out		3/30/22	Enacted	PL	630	
TAX	1919	An Act To Encourage Job Growth in the Forest Products Sector through Tax Incentives	Reported Out		4/6/22	Veto Sustained			
TAX	1937	An Act To Clarify the Exemption from Income Tax and Withholding Tax Liability for Certain Out-of-state Suppliers of Spirits Purchased by the Bureau of Alcoholic Beverages and Lottery Operations	Reported Out		4/12/22	Enacted	PL	756	
TAX	1941	Resolve, Establishing the Working Group To Review and Recommend Improvements to the Seed Capital Investment Tax Credit	Reported Out		3/3/22	Died On Adjournment			
TAX	1986	An Act To Provide Property Tax Relief for Permanently and Totally Disabled Veterans	Reported Out		4/8/22	Enacted	PL	703	
TAX	1987	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2022-23	Reported Out		4/6/22	Emergency Enacted	PL	624	
TAX	2009	An Act To Implement the Recommendations of the Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature	Reported Out		4/11/22	Died On Adjournment			
TAX	2010	Resolve, To Help Certain Businesses with Electricity Costs	Reported Out		4/13/22	Finally Passed	RESLV	168	
TAX	2030	An Act To Provide for Reimbursement of the Sales Tax Paid on Certain Battery Energy Storage Systems	Reported Out		4/14/22	Enacted	PL	758	

## JOINT STANDING COMMITTEE ON TAXATION

### **LD 23 An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 707 reinstates the income tax deduction for contributions to so-called Section 529 education savings plans, and increases the deduction from \$250 in effect from 2007 to 2015 to \$1,000 per designated beneficiary for tax years beginning on or after January 1, 2023.

### **LD 201 An Act To Reduce Greenhouse Gas Emissions and Promote Weatherization in the Buildings Sector by Extending the Sunset Date for the Historic Property Rehabilitation Tax Credit**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 671 amends the definition of “certified qualified rehabilitation expenditure” under the law governing the tax credit for rehabilitation of historic properties to extend from December 31, 2025 to December 31, 2030 the date by which the United States Department of the Interior, National Park Service must determine a proposed rehabilitation of a structure meets its standards for rehabilitation in order for a taxpayer to claim an income tax credit for a qualified rehabilitation expenditure. Chapter 671 also extends from August 1, 2025 to August 1, 2030 the date of a report by the Maine State Housing Authority regarding the affordable housing portion of the credit.

### **LD 290 An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 751 requires a municipality to maintain the property tax on the homestead of a permanent resident who is at least 65 years of age at the amount billed in the year prior to an application for stabilization. Application must be made by December 1st for stabilization of the property tax at the amount of tax billed for the preceding property tax year. The amount by which the property tax assessed exceeds the stabilized amount must be paid to the municipality by the State. If an eligible individual moves to a different municipality, the stabilized property tax amount continues at the new location. An applicant for stabilization must be a permanent resident of the State and must have owned a homestead for at least 10 years. An application for stabilization must be made each year to continue eligibility.

## JOINT STANDING COMMITTEE ON TAXATION

### **LD 428 Resolve, Directing Maine Revenue Services To Review and Report Regarding Worldwide Combined Reporting of Certain Corporations for Income Tax Purposes**

#### **ENACTED LAW SUMMARY**

Resolve 2021, chapter 170 requires the Department of Administrative and Financial Services, Maine Revenue Services to review the impact on the State's income tax and economy of adopting a system for apportionment of income for purposes of calculating income tax for corporations that are part of an affiliated group with members outside of the United States by adopting worldwide combined reporting with an election for water's edge combined reporting and to report the results of its review to the joint standing committee of the Legislature having jurisdiction over taxation matters by February 1, 2023. It also authorizes the joint standing committee to report out legislation related to the report.

### **LD 484 An Act Relating to the Housing Opportunities for Maine Fund**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 753 provides that the Maine State Housing Authority must use 25% of funds transferred from the real estate transfer tax to the Housing Opportunities for Maine Fund to support the creation of new housing units, through new construction or adaptive reuse, that are affordable to low-income households.

### **LD 506 An Act To Reduce the Tax Burden on Low-Income Electricity Customers**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 713 exempts from sales tax, beginning January 1, 2023, all electricity consumed by residential customers participating in either a low-income assistance program or arrearage management program approved by the Public Utilities Commission.

### **LD 647 An Act To Expand Eligibility for the Veterans' Property Tax Exemption**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 682 allows persons who served in the Armed Forces of the United States during the period from February 1, 1955 to February 27, 1961 to qualify for veterans' property tax exemptions based on the status of property beginning on or after April 1, 2023.



## JOINT STANDING COMMITTEE ON TAXATION

### **LD 731 An Act To Establish a Program To Assist Regional Firefighter Training Programs, To Provide Tax Credits to Businesses That Employ Volunteer Firefighters and Emergency Medical Services Persons and To Provide Benefits to Volunteer Firefighters and Emergency Medical Services Persons**

#### **ENACTED LAW SUMMARY**

Public Law 2022, chapter 731 establishes a program administered by the Maine Fire Protection Services Commission to provide grants to municipalities for regional fire service training. It also provides an income tax credit for tax years beginning on or after January 1, 2022 for employers who permit employees who are volunteer firefighters or volunteer municipal emergency medical services persons to be absent from work for firefighting or emergency response activities without a reduction in pay.

### **LD 1129 An Act Relating to the Valuation of Improved Real Property**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 663 provides that, in establishing the just value of improved real property, the value of the property must be based on its highest and best use as of April 1st of each year taking into consideration the three recognized approaches to valuation of commercial property and that the assessor must consider the value of reasonably similar properties with regard to age, condition, use, type of construction, location, design, physical features and economic characteristics. Chapter 663 also provides that, in determining just value, property subject to restrictions that restrict the permitted use of the property may not be considered comparable to property not so restricted.

### **LD 1156 An Act To Reduce Errors in Employment Tax Increment Financing Benefits**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 602 improves the employment tax increment financing program for calendar years beginning with calendar year 2022 by basing benefits on the gross wages of qualified employees rather than on income tax withholding for those employees. The bill directs the Commissioner of Economic and Community Development and the State Tax Assessor to take actions, including the adoption of routine technical rules, to implement the change.

## JOINT STANDING COMMITTEE ON TAXATION

### **LD 1195 An Act To Assist Qualifying Municipalities To Defray the Costs of Opting in To Permit Adult Use Marijuana Establishments**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 645 changes the name of the Adult Use Marijuana Public Health and Safety Fund to the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund and expands the authorized uses of that fund to include reimbursement to a qualifying municipality for up to \$20,000 of qualifying expenses incurred as a result of the municipality's opting to permit the operation of some or all adult use marijuana establishments within the municipality. The Department of Administrative and Financial Services, which administers the fund, may not reimburse qualifying expenses accrued after July 1, 2027.

### **LD 1569 Resolve, Establishing the Commission To Study the Role of Water as a Resource in the State of Maine**

#### **ENACTED LAW SUMMARY**

Resolve 2021, chapter 185 establishes the Commission To Study the Role of Water as a Resource in the State of Maine to study legal principles regarding the ownership of water resources, natural resources extraction taxes, issues associated with the role and availability of water resources in the State, transportation within the State or exportation of water from the State, the relationship between water resources and climate change, and the nature and extent of infrastructure involved in the use and delivery of water resources now and in the future.

### **LD 1732 An Act To Amend the Sales Tax Exemption for Nonprofit Housing Development Organizations**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 695 provides that the sales tax exemption for sales to nonprofit organizations with the primary purpose of developing housing for “low-income people” applies only to nonprofit organizations developing housing for people earning less than 120% of the median income for the area, adjusted for family size, as established by the United States Department of Housing and Urban Development or its successor.

### **LD 1757 An Act To Make Technical Changes to Maine Tax Laws**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 531 makes technical changes to the tax laws.

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Part A of this bill repeals a provision that authorizes the Department of Administrative and Financial Services, Maine Revenue Services to divulge certain taxpayer information to the Treasurer of State for the purpose of administering the Maine unclaimed or abandoned property law. This information would often include federal tax information, which, under federal restrictions, may not be divulged.

Part B of the bill makes the following changes to the property tax laws. It:

1. Requires Maine Revenue Services to hold qualifying exams for assessors as necessary, but no fewer than two times each year;
2. Clarifies the amount of tax that must be paid when a taxpayer appeals a denial of abatement; and
3. Makes technical changes, such as removing obsolete references to state property tax, gender-specific references and other obsolete language.

### **LD 1763 An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 594 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, 2021, for tax years beginning on or after January 1, 2021 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended through December 31, 2021.

### **LD 1764 An Act To Make a Technical Correction Concerning Maine's Earned Income Tax Credit**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 493 corrects a drafting error in Public Law 2021, chapter 398 in the law governing the earned income tax credit. As enacted, chapter 398 limits the credit to 20% of the federal earned income tax credit for tax year 2021 for nonresidents and part-year residents to those who do not have a qualifying child. The intent of chapter 398 was to provide the 20% credit to all residents, nonresidents and part-year residents for tax year 2021, regardless of whether a resident, nonresident or part-year resident has a qualifying child. Chapter 493 accomplishes that intent.

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### **LD 1794 Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory**

#### **ENACTED LAW SUMMARY**

Resolve 2021, chapter 123 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.

### **LD 1890 An Act To Equalize Sales Tax Treatment of Certain Vehicles**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 578 provides that the purchase by a rental car company of a truck is exempt from sales tax and makes the rental of the truck subject to sales tax at the rental vehicle rate. Chapter 578 also makes technical corrections to the sales tax law regarding trucks and provides that that the term “retail sale” for sales tax purposes excludes the purchase of all trucks and vans with a gross vehicle weight of less than 26,000 pounds, including integral parts and accessories for those vehicles, by a rental company, if those vehicles will be used for short-term rental.

### **LD 1917 An Act To Amend the Tax Laws of the State**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 630 makes the following changes to the tax laws.

Part A makes changes to the insurance premiums tax and income tax law. Part A:

1. Specifies that, for tax periods beginning on or after January 1, 2023, premiums on contracts sold by insurance producers through nonadmitted insurers and premiums paid by insureds on self-procured contracts from nonadmitted insurers are subject to tax at the higher of Maine’s tax rate and the tax rate of the state of incorporation of the insurance company that is underwriting the policy; and
2. Increases the withholding rate applicable to certain gambling winnings subject to Maine tax from 5% of the winnings to the highest marginal tax rate applicable to the tax year during which the winnings are paid, plus any other applicable tax under the Maine Revised Statutes, Title 36, Part 8 relating to income taxes.

Part B makes changes to the property tax law. Part B:

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1. Requires municipalities to annually provide information needed by the Department of Administrative and Financial Services, Bureau of Revenue Services to conduct state valuation;
2. Removes an obsolete reference to state property tax;
3. Removes the requirement for benevolent and charitable institutions to be incorporated in Maine to be exempt from taxation;
4. Allows assessors to request information from taxpayers regarding property qualifying for an exemption that is subject to full or partial reimbursement by the State;
5. Strikes the provision under the deferred collection of homestead property taxes applying the abatement and appeals process under Title 36, chapter 105, subchapter 8 to situations in which the State Tax Assessor disagrees with the municipal valuation of a property subject to deferral; and
6. Replaces the term “homestead” with the term “permanent residence” in Title 36, section 6234, regarding municipal benefits to veterans, to better align the definition with the benefit to renters allowed under that section.

Part C expands the penalty-free reclassification of land taxed under the Maine Tree Growth Tax Law and farm and open space law to include reclassifications into and out of working waterfront land without incurring a penalty. In addition, it clarifies and aligns the penalty provisions for tree growth, farm and open space and working waterfront current use classifications.

Part D changes the monthly transfer of sales tax revenue to the ATV Recreational Management Fund to a biannual transfer, beginning July 1, 2023, of sales tax revenue from the prior fiscal year and clarifies that the transfer is reduced by the transfer to the Local Government Fund.

### **LD 1937 An Act To Clarify the Exemption from Income Tax and Withholding Tax Liability for Certain Out-of-state Suppliers of Spirits Purchased by the Bureau of Alcoholic Beverages and Lottery**

#### **ENACTED LAW SUMMARY**

Public Law 2022, chapter 756 provides for tax years beginning on or after January 1, 2022 an exemption from income tax or tax withholding for certain manufacturers of spirits or suppliers of spirits located outside the State that sell or ship spirits pursuant to an order or request placed by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations or an agent or contractor of the bureau. The bill also provides that income tax “nexus” is not established by spirits manufactured or produced outside the State and brought into the State pursuant to an order or request of the bureau, regardless of whether those spirits are stored at a warehouse operated or used by the bureau or at another facility as directed by the bureau, and regardless of whether the amount of the sales or the value of those spirits exceeds the thresholds

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for the determination of nexus as specified in the Maine Revised Statutes, Title 36, section 5200-B, subsection 1.

### **LD 1986 An Act To Provide Property Tax Relief for Permanently and Totally Disabled Veterans**

#### **ENACTED LAW SUMMARY:**

Public Law 2021, chapter 703 provides an additional refundable property tax fairness credit for veterans who are 100% permanently and totally disabled. The additional credit is equal to and in addition to the credit allowed for resident individuals who are not such veterans. The combined credits may not exceed property tax and rent constituting property tax paid with regard to the property during the tax year.

### **LD 1987 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2022-23**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 624 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.

### **LD 2010 Resolve, To Help Certain Businesses with Electricity Costs**

#### **ENACTED LAW SUMMARY**

Resolve 2021, chapter 168 establishes a procedure for energy rate relief payments to medium commercial customers of an investor-owned transmission and distribution utility with electricity usage in February 2022 of at least 1,000 kilowatt-hours. The reimbursement procedure is administered by the Department of Economic and Community Development which is authorized to determine the amount of relief payments to eligible customers based on to the number of kilowatt hours of electricity used by an eligible customer and is authorized to use funds for providing energy rate relief to cover the cost of relief payments. The Department may also provide energy rate relief to eligible customers of a consumer-owned transmission and distribution utility. Relief payments must be credited to accounts of eligible customers by October 30, 2022.

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### **LD 2030 An Act To Provide for Reimbursement of the Sales Tax Paid on Certain Battery Energy Storage Systems**

#### **ENACTED LAW SUMMARY**

Public Law 2021, chapter 758 provides for reimbursement of the sales tax paid on a qualifying battery energy storage system purchased between January 1, 2023 and December 31, 2025. A claim for reimbursement may not be submitted prior to July 1, 2023. Public Law 2021, chapter 758 also requires the Governor's Energy Office to review the role of tax incentives in encouraging growth in energy storage capacity in the State and report the results of its review to the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters by March 15, 2023.

