

Shaded LDs have been voted on by the
Committee

PH 4/11/2023

TAXATION COMMITTEE
131st LEGISLATURE
1st REG SESSION
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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY24	FY25
1118	591			Baldacci	An Act to Reduce the Sales Tax on Automobiles	<p>This bill exempts from the sales and use tax the first \$7,500 of the maker's list price of an automobile, sold on or after January 1, 2024.</p> <p><u>Definitions in Sales Tax statutes:</u></p> <p>36 MRSA, §1752.1-B. "Automobile. "Automobile" means a self-propelled 4-wheel motor vehicle designed primarily to carry passengers and not designed to run on tracks. "Automobile" includes a pickup truck or van with a gross vehicle weight rating of 10,000 pounds or less."</p> <p>36 MRSA §1752, sub§7. "Motor vehicle. "Motor vehicle" means any self-propelled vehicle designed for the conveyance of passengers or property on the public highways. "Motor vehicle" includes an all-terrain vehicle and a snowmobile as defined in Title 12, section 13001.</p> <p>"Maker's list price" is defined in MV excise tax chapter but <u>not defined for sales tax</u>.</p>			

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

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								FY24	FY25
1213	606	4/11		Baldacci	An Act to Reform Income Taxes by Reducing Tax Rates for Each of the 3 Income Tax Brackets	<p><u>Current tax brackets 2023TYs:</u></p> <p><u>Single; married separate returns:</u> \$0 to \$23,000 5.5% \$23,000 to \$54,450 6.75% \$54,450 and over 7.15%</p> <p><u>Heads of household:</u> \$0 to \$34,500 5.5% \$34,500 to \$81,700 6.75% \$81,700 and over 7.15%</p> <p><u>Married joint; surviving spouse:</u> \$0 to \$46,000 5.5% \$46,000 to \$108,900 6.75% \$108,900 and over 7.15%</p> <p><u>This bill tax brackets 2023TYs:</u></p> <p><u>Single; married separate returns:</u> \$0 to \$23,000 2.9% \$23,000 to \$54,450 5% \$54,450 to \$80,000 7% \$80,000 and over 7.15%</p> <p><u>Heads of household:</u> \$0 to \$34,500 2.9% \$34,500 to \$81,700 5% \$81,700 to \$120,000 7% \$120,000 and over 7.15%</p> <p><u>Married joint; surviving spouse:</u> \$0 to \$46,000 2.9% \$46,000 to \$108,900 6.75% \$108,900 to \$160,000 7% \$160,000 and over 7.15%</p>			

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						<p><u>SPONSOR AMENDMENT 4/7:</u> Substitutes for bill. Taxpayers in following categories taxed at 3% on total taxable income: Single up to \$45,000 Heads of Household up to \$69,000 Married joint up to \$90,000</p> <p><u>Taxpayers with higher taxable income would pay according to current rates and brackets.</u></p>			
1222	784	4/11		Stewart	An Act to Expand Child Care Services Through an Employer-supported Tax Credit	<p>This bill repeals the section of law governing the former employer-assisted day care income tax credit, which by its own terms, since 2015 has not applied to tax years beginning on or after January 1, 2016.</p> <p>The bill <u>creates a new refundable tax credit for an employer that pays or provides in-kind resources to build or subsidize child care for the children of its employees.</u></p> <p>The amount of the annual <u>credit is the lesser of:</u></p> <ol style="list-style-type: none"> 1. 50% of the amount expended by the employer or 2. \$3,000 per child 			
1225	2275	4/11		O'Neil	An Act to Protect Housing by Increasing the Property Tax Fairness Credit	<p>For income tax years beginning on or after January 1, 2023, this bill <u>increases the maximum property tax fairness credit</u> from</p> <ol style="list-style-type: none"> 1. <u>\$1,000 to \$1,500 for residents under 65 years of age and</u> 2. <u>\$1,500 to \$2,000 for residents 65 years of age or older.</u> 			

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1303	1884			Faulkingham	An Act to Exempt Boats and All-terrain Vehicles Purchased for Qualified Commercial Fishing or Commercial Farming from State Sales Tax	<p>Current law: 36 MRSA §2013 currently provides a refund of sales tax or certification to purchase depreciable machinery and equipment without paying sales tax for persons engaged in commercial agricultural production, commercial fishing, commercial aquaculture, or commercial wood harvesting. Current law specifically excludes motor vehicles (including ATVs) and trailers.</p> <p>This bill provides a sales tax exemption for sales to a qualified purchaser of:</p> <ol style="list-style-type: none"> boats and all-terrain vehicles used directly and exclusively in commercial fishing or commercial agricultural production. The bill defines "qualified purchaser" to mean a purchaser who, under current law, has obtained a certificate from the State Tax Assessor stating that the purchaser is engaged in commercial fishing or commercial agricultural production. It also requires the seller to obtain from the purchaser an affidavit as prescribed by the assessor attesting to the qualification of the purchase for exemption. 			
1355	548	4/11		Riseman	An Act to Establish a Behavioral Health Employment Income Tax Credit for Student Loan Payments	<p>This bill amends the student loan repayment tax credit for behavioral health clinicians to:</p> <ol style="list-style-type: none"> double the maximum annual tax credit from \$2,500 per year to \$5,000 per year and double the lifetime cap from \$25,000 to \$50,000. <p>To be eligible for the increased credit, the bill requires that a behavioral health clinician must be</p> <ol style="list-style-type: none"> licensed to practice in a clinical capacity in an agency licensed by the State to provide mental health or substance use disorder treatment services and be engaged in that employment for at least 5 years. 			