

Tax and Fee Changes Affecting State and Local Tax Burden - 124th Legislature, 1st Regular Session

Tax Category and Description	Law Reference	FY 09	FY 10	FY 11	FY 12	FY 13
Sales and Use Tax						
Tax enforcement initiative based on the collection of outstanding income and sales tax receivables.	PL c. 213, Pt. A	\$0	\$2,278,470	\$2,925,444	\$1,385,147	\$0
Sales tax effect from the conversion of the excise tax on smokeless tobacco products from a tax equaling 78% of the wholesale price to a tax based on weight at the rate of \$2.02 per ounce.	PL c. 213, Pt. H	\$0	\$78,684	\$91,771	\$94,849	\$94,289
Tax enforcement initiative that establishes the 2009 Tax Receivables Reduction Initiative to run from September 1, 2009 to November 30, 2009 to facilitate the collection of tax receivables. The program provides for the waiver of 90% of the penalties due if the tax and interest are paid during the initiative period.	PL c. 213, Pt. PPP	\$0	\$2,500,000	(\$250,000)	(\$200,000)	(\$200,000)
Tax enforcement initiative implementing a Depositor Matching Program to collect overdue taxes that requires financial institutions to disclose, upon request from the State Tax Assessor, automated search account information to Maine Revenue Services for the purpose of establishing, modifying and enforcing tax debts.	PL c. 213, Pt. AAAA	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Additional sales tax revenue generated from wine sales through direct shipment to the consumer.	PL c. 373	\$0	\$60,000	\$60,000	\$60,000	\$60,000
Expands sales tax exemption to include silvicultural crop production.	PL c. 422	\$0	(\$26,250)	(\$35,500)	(\$36,000)	(\$37,000)
Expands Pine Tree Development Zone statewide.	PL c. 461	\$0	\$0	(\$169,207)	(\$254,149)	(\$301,046)
Individual Income Tax						
Disallows use of the election to pay estimated tax based on the prior year's tax liability with regard to unusual event income, such as realization of a large capital gain. The change applies to tax years beginning on or after January 1, 2009.	PL c. 1, Pt. I	\$5,405,000	\$216,200	\$224,848	\$233,842	\$243,196
Delays the Tax Credit for Rehabilitation of Historic Properties with respect to the Kennebec Arsenal National Historic Landmark from tax years beginning on or after January 1, 2006 but before January 1, 2010 to tax years that begin on or after January 1, 2009 but before January 1, 2013. Unused credit amounts in any one tax year may be carried forward only through tax year 2012.	PL c. 1, Pt. Z	\$500,000	\$0	(\$500,000)	(\$500,000)	(\$500,000)
Tax enforcement initiative that continues an overtime project to enhance revenue discovery and revenue collections.	PL c. 213, Pt. A	\$0	\$2,000,000	\$2,000,000	\$0	\$0
Tax enforcement initiative associated with establishing 2 Senior Revenue Agent positions for the Criminal Investigations Unit to provide deterrence to tax delinquents and focus on those individuals and businesses that intentionally failed to file a tax return, failed to pay tax or filed a fraudulent tax return.	PL c. 213, Pt. A	\$0	\$550,000	\$550,000	\$550,000	\$550,000
Tax enforcement initiatives for collection of outstanding income and sales tax receivables.	PL c. 213, Pt. A	\$0	\$5,803,641	\$5,957,442	\$3,088,819	\$0

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Individual Income Tax (continued)						
Tax enforcement initiative implementing a Depositor Matching Program to collect overdue taxes that requires financial institutions to disclose, upon request from the State Tax Assessor, automated search account information to Maine Revenue Services for the purpose of establishing, modifying and enforcing tax debts.	PL c. 213, Pt. AAAA	\$0	\$2,092,465	\$2,053,849	\$2,053,849	\$2,053,849
Tax enforcement initiative that establishes the 2009 Tax Receivables Reduction Initiative to run from September 1, 2009 to November 30, 2009 to facilitate the collection of tax receivables. The program provides for the waiver of 90% of the penalties due if the tax and interest are paid during the initiative period.	PL c. 213, Pt. PPP	\$0	\$7,000,000	(\$750,000)	(\$300,000)	(\$300,000)
Tax enforcement initiative implementing a data warehouse project to collect additional income tax revenue from tax debtors.	PL c. 213, Pt. TTTT	\$0	\$900,000	\$9,434,526	\$9,200,000	\$9,200,000
Income tax effect associated with the changes to the Maine Residents Property Tax Program and the Homestead Property Tax Exemption.	PL c. 213, Pt. XXX	\$0	(\$71,590)	(\$469,170)	(\$392,095)	(\$396,588)
Eliminates all federal net operating loss carry-forwards and also eliminates the recapture of previously denied federal net operating loss carry-backs. The change applies to tax years beginning in 2009, 2010 and 2011. The net operating loss deduction disallowed as a result of the provisions in this Part may be recaptured by the taxpayer in tax years beginning after 2011, but only if the year is within the federal carry-over period for net operating loss plus the number of years that the net operating loss carry-over adjustment was not deducted as a result of the restriction with respect to tax years beginning in 2009, 2010 and 2011.	PL c. 213, Pt. ZZZ	\$0	\$2,000,000	\$1,500,000	\$990,000	\$0
Beginning with the 2009 calendar year, adjusts tax brackets to increase noncorporate tax revenue by \$10,500,000 based on revenue projections of the Revenue Forecasting Committee.	PL c. 213, Pt. WWW	\$0	\$4,200,000	\$10,500,000	\$10,500,000	\$10,500,000
Expands Pine Tree Development Zone statewide.	PL c. 461	\$0	\$0	(\$217,606)	(\$484,456)	(\$783,737)
Corporate Income Tax						
Revenue increase that results from removing from the apportionment calculation the sales of tangible personal property by businesses operating in more than one state if the sales are delivered to a state where the sale is not taxable. Sales other than those of tangible personal property are also removed from the Maine sales in the apportionment calculation if the sales are delivered from Maine to a state where the sale is not taxable.	PL c. 213, Pt. NN	\$0	\$2,117,500	\$1,909,500	\$2,120,858	\$2,476,037

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Corporate Income Tax (continued)						
Eliminates all federal net operating loss carry-forwards and also eliminates the recapture of previously denied federal net operating loss carry-backs. The change applies to tax years beginning in 2009, 2010 and 2011. The net operating loss deduction disallowed as a result of the provisions in this Part may be recaptured by the taxpayer in tax years beginning after 2011, but only if the year is within the federal carry-over period for net operating loss plus the number of years that the net operating loss carry-over adjustment was not deducted as a result of the restriction with respect to tax years beginning in 2009, 2010 and 2011.	PL c. 213, Pt. ZZZ	\$0	\$8,000,000	\$6,000,000	\$3,960,000	\$0
Expands Pine Tree Development Zone statewide.	PL c. 461	\$0	\$0	(\$47,835)	(\$91,657)	(\$142,885)
Cigarette and Tobacco Products Taxes						
Revenue increase associated with the conversion of the excise tax on smokeless tobacco products from a tax equaling 78% of the wholesale price to a tax based on weight at the rate of \$2.02 per ounce. The change is effective for purchases on or after July 1, 2009.	PL c. 213, Pt. H	\$0	\$1,573,684	\$1,835,413	\$1,896,975	\$1,885,780
Estate Tax						
Makes adjustments to ensure that the Maine estate tax under current law will continue to be imposed for deaths occurring after calendar year 2009 with the intent of maintaining the State's estate tax revenues at current levels and amends the definition of "federal gross estate" to include gifts made by a decedent one year prior to death, but not gifts made prior to January 1, 2008. Transfers made as part of a bona fide sale for full and adequate consideration are not included in the definition.	PL c. 213, Pt. E	\$0	\$1,702,888	\$29,623,160	\$37,328,353	\$42,374,930
Public Utilities Taxes						
Delays the phase down in the rate of the tax on telecommunications personal property.	PL c. 1, Pt. P and c. 213, Pt. P	\$795,030	\$1,545,181	\$1,524,181	\$762,590	\$0
Increases the E-9-1-1 surcharge from \$.30 per month per line or number or for prepaid wireless per 30-day increment to \$.37 effective July 1, 2009 and to \$.52 effective July 1, 2010.	PL c. 416	\$0	\$1,286,506	\$4,043,303	\$4,043,303	\$4,043,303
Provides for an assessment of up to 3% of certain gas utilities' delivery revenues annually to fund Natural Gas Conservation Fund.	PL c. 372	\$0	\$0	\$891,000	\$891,000	\$891,000
Fuel Taxes						
Amends the gasoline and special fuel tax statutes to apply the gasoline and diesel fuel tax rates to blended fuels containing more than 10% gasoline or less than 90% biodiesel. It also amends the indexing statute to prevent an inflation index from being less than one.	PL c. 413, Pt. W	\$0	\$6,680,001	\$9,629,999	\$9,610,000	\$9,630,001

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Property Tax - Unorganized Territory						
Increase in projected tax collections in fiscal year 2009-10 based on revised estimates of education spending needs in the Unorganized Territory.	PL c. 213, Pt. A	\$0	\$1,441,065	\$0	\$0	\$0
Increases fees based on a percent of valuation of property assessed for the Land Use Regulation Commission to the Unorganized Territories from .013% to .014%.	PL c. 213, Pt. HHHH	\$0	\$62,305	\$72,065	\$82,019	\$92,173
Inland Fisheries and Wildlife Licenses and Fees						
Increases the fees for certain hunting, fishing, archery and combination licenses by \$4 for residents and \$12 for non-residents. It also increases all other non-resident licenses and permits by \$7.	PL c. 213, Pt. OO	\$0	\$1,044,000	\$1,559,000	\$1,559,000	\$1,559,000
Revenue from increasing boat registration fees by \$5.	PL c. 213, Pt. OO	\$0	\$150,000	\$550,000	\$550,000	\$550,000
Revenue decrease from eliminating the fall turkey permit.	PL c. 213, Pt. OO	\$0	\$0	(\$100,000)	(\$100,000)	(\$100,000)
Revenue increase from issuing a new second spring turkey permit.	PL c. 213, Pt. OO	\$0	\$30,000	\$30,000	\$30,000	\$30,000
Revenue decrease from issuing free permits to junior hunters.	PL c. 213, Pt. OO	\$0	(\$55,000)	(\$100,000)	(\$100,000)	(\$100,000)
Requires seaplanes to purchase milfoil stickers.	PL c. 213, Pt. OO	\$0	\$1,800	\$1,800	\$1,800	\$1,800
Increases the whitewater rafting user fee by \$1.	PL c. 213, Pt. OO	\$0	\$14,000	\$28,000	\$28,000	\$28,000
Increase in revenue from repealing the requirement that an alien big game hunter be accompanied by a licensed guide.	PL c. 390	\$0	\$24,098	\$32,131	\$32,131	\$32,131
Motor Vehicle Registration and License Fees						
Increase in revenue from the Support Animal Welfare specialty plate, where \$9 of each initial registration and \$4 of each renewal is deposited into the Highway Fund.	PL c. 73	\$50,000	\$65,000	\$113,750	\$122,500	\$122,500
Increases drivers license reinstatement fees, other than for OUI, by \$15.	PL c. 213, Pt. YYYY	\$0	\$505,500	\$505,500	\$505,500	\$505,500
Revenue increase from increasing the resident snowmobile registration fee by \$5.	PL c. 226	\$0	\$379,540	\$379,540	\$379,540	\$379,540
Increase in revenue from extending title requirements to most motor vehicles and trailers manufactured in 1995 and after.	PL c. 435	\$0	\$165,000	\$165,000	\$165,000	\$165,000
Increase in revenue from sale of decals for veterans license plates.	PL c. 437	\$0	\$500	\$500	\$500	\$500
Liquor Taxes and Fees						
Increase in revenue from issuance of wine direct shipper licenses.	PL c. 373	\$0	\$40,000	\$40,000	\$40,000	\$40,000
Revenue from the new dual liquor license.	PL c. 438	\$0	\$180,000	\$180,000	\$180,000	\$180,000
Increased licensing fees from allowing additional agency liquor stores in certain municipalities.	PL c. 213, Pt. JJJJ	\$0	\$80,000	\$92,000	\$24,000	\$24,000
Increase in revenue from licensing hotel mini-bars.	PL c. 458	\$0	\$207,500	\$207,500	\$207,500	\$207,500
Real Estate Transfer Tax						
Eliminates the exemption of the real estate transfer tax laws for foreclosure sales and deeds in lieu of foreclosure and directs those tax revenues to the Bureau of Consumer Credit Protection to fund the agency's additional duties.	PL c. 402	\$0	\$350,000	\$280,000	\$224,000	\$179,200

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Gambling/Games of Changes Fees						
Revenue from high stakes beano license fees.	PL c. 347	\$0	\$50,000	\$50,000	\$50,000	\$50,000
Reduction in revenue from allowing certain organizations to operate games of chance without a license.	PL c. 386	\$0	(\$30,000)	(\$40,000)	(\$40,000)	(\$40,000)
Increased revenue from increases in tournament game license fees.	PL c. 457	\$0	\$10,000	\$10,000	\$10,000	\$10,000
Other Taxes and Fees - Agriculture, Food and Rural Resources						
Revenue from the registration fees assessed on commercial fertilizer.	PL c. 393	\$0	\$150,000	\$150,000	\$150,000	\$150,000
Other miscellaneous changes to taxes or fees less than \$10,000 per year collected by the Department of Agriculture, Food and Rural Resources.	Several laws	\$0	\$7,648	\$7,648	\$7,648	\$7,648
Other Taxes and Fees - Dirigo Health						
Budgeted revenue effect of replacing the savings offset payment with a new access payment to be paid by health insurance carriers, 3rd party administrators and employee benefit excess insurance carriers of 2.14% on paid claims beginning September 1, 2009.	PL c. 359	\$0	\$2,033,333	\$400,000	\$0	\$0
Other Taxes and Fees - Environmental Protection						
Reduction in permit revenue due to the Natural Resource Protection Act modification.	PL c. 75	\$0	(\$591)	(\$591)	(\$591)	(\$591)
Revenue associated with surcharges on installation of new sewer systems, the municipal combined sewer overflow and overboard discharges and shellfish area outfalls.	PL c. 213, Pt. FFFF	\$0	\$227,000	\$223,250	\$219,500	\$215,750
Additional permit fees to be collected as a result of expanded groundwater well definition to cover program costs.	PL c. 295	\$0	\$25,000	\$50,000	\$50,000	\$50,000
Increases revenue from new registration fee of \$3,000 from each manufacturer of computer monitors, televisions, desktop printers and video game consoles to provide for hazardous waste disposal costs.	PL c. 397	\$0	\$0	\$200,000	\$200,000	\$200,000
Increases in the Department of Environmental Protection's processing and certification fees due to increased costs of the asbestos abatement program.	PL c. 374	\$0	\$75,000	\$100,000	\$100,000	\$100,000
Other Taxes and Fees - Health and Human Services						
Major substantive rule's increase in child care licensing fees consistent with the phase in of the two-year license requirement.	RES c. 8	\$0	\$129,040	\$64,520	\$64,520	\$64,520
Increased tobacco license fee collections in the first year.	PL c. 199	\$0	\$167,493	\$0	\$0	\$0
Other Taxes and Fees - Marine Resources						
Increases license fees levied by the Department of Marine Resources.	PL c. 213, Pt. G	\$0	\$392,483	\$448,414	\$448,414	\$448,414
Other miscellaneous changes to taxes or fees less than \$10,000 per year collected by the Department of Marine Resources.	Several laws	\$0	\$899	(\$1,077)	(\$102)	\$6,425

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Other Taxes and Fees - Professional and Financial Regulation						
Increases various licensing fees for the Bureau of Consumer Credit Protection in the Department of Professional and Financial Regulation.	PL c. 243	\$0	\$95,400	\$92,500	\$92,500	\$92,500
Other miscellaneous changes to taxes or fees less than \$10,000 per year collected by the Department of Professional and Financial Regulation.	Several laws	\$0	\$8,075	\$7,075	\$7,075	\$7,075
Total Net Change to Taxes and Fees affecting Tax Burden		\$6,750,030	\$61,013,468	\$94,613,643	\$92,301,682	\$87,099,714

Major Changes to Tax Reimbursement Programs (Not included in State and Local Tax Burden Calculations)

Revenue increase associated with limiting the allowable benefit under the Maine Residents Property Tax Program to 80% of the amount to which those households would otherwise be eligible for application periods beginning on August 1, 2009 and on August 1, 2010. Includes interaction effect with Part YYY Homestead Property Tax Exemption change.	PL c. 213, Pt. XXX	\$0	\$8,507,242	\$8,842,516	(\$1,045,747)	(\$1,075,138)
Revenue increase associated with limiting the allowable benefit under the Business Equipment Tax Reimbursement (BETR) Program to 90% of eligible property taxes paid for application periods beginning August 1, 2009 and August 1, 2010.	PL c. 213, Pt. U	\$0	\$6,565,349	\$6,004,794	\$0	\$0
Provides for changes in the Tax and Rent Relief Program as part of the Tax Reform package.	PL c. 382	\$0	\$0	(\$808,753)	\$0	\$0
Reduces the Maine resident homestead property tax exemption from \$13,000 to \$10,000 for the property tax year beginning April 1, 2010. (Note: affects appropriations not revenue - represents 50% of estimated property tax revenue increase)	PL c. 213, Pt. A and YYY	\$0	\$0	(\$6,897,042)	(\$7,138,437)	(\$7,281,206)

Notes:

Reflects all legislative changes to taxes and fees enacted during the 1st Regular Session of the 124th Legislature that are included in the U.S. Bureau of Census calculations of state and local tax burden. PL 2009, c. 382, "An Act to Implement Tax Relief and Tax Reform," is not included in this compilation as a result of the timely submission of sufficient signatures to delay the implementation of this Act. If the Secretary of State certifies that the People's Veto petition meets the minimum requirements, the Act will become contingent on a referendum vote at the June 2010 election.