

STATE OF MAINE
129TH LEGISLATURE
FIRST SPECIAL AND SECOND REGULAR SESSIONS



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

JOINT STANDING COMMITTEE ON TAXATION

November 2020

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STATE OF MAINE
129TH LEGISLATURE
FIRST SPECIAL AND SECOND REGULAR SESSIONS



**LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS**

**SPECIAL NOTICE REGARDING
COVID-19 PANDEMIC**

As a result of the COVID-19 Pandemic, the Second Regular Session of the 129th Legislature adjourned on March 17, 2020, nearly a month prior to the statutory adjournment date of April 15, 2020. Before adjourning, the Legislature passed Joint Order, S.P. 788:

“ORDERED, the House concurring, that all matters not finally disposed of upon the adjournment sine die of the Second Regular Session of the 129th Legislature be carried over, in the same posture, to any special session of the 129th Legislature.”

The “matters not finally disposed of” were in many different postures upon adjournment. In this digest, at the end of each summary of a bill that was carried over by S.P. 788, there is an indication of the posture of the bill at the time of adjournment.

No special session has been held as of the publication of the Digest and none is anticipated, so all bills carried over are expected to die upon the conclusion of the 129th Legislature. However, after the Second Regular Session adjourned and in preparation for the possibility of a special session, a number of committees met and considered a number of bills in their possession. One hundred and sixty bills were acted upon in some way by committees (voted or reported out), among them several new bills that were printed and referred to committee, worked and reported out. **Appendix A** provides a list of the bills that were voted or reported out of committees after the Second Regular Session adjourned.

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LD 70 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 TIPPING R	OTP-AM	S-10

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill permits an employer who employs an apprentice participating in an approved apprenticeship program to receive an income tax credit and provides for a partial credit if the employer employs a participating apprentice for fewer than 2,000 hours during a calendar year.

Committee Amendment "A" (S-10)

This amendment adds appropriations for one-time funding for computer programming and for two positions in the Department of Labor to implement the tax credit for apprenticeship programs provided in the bill.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 71 An Act To Reinstate the Income Tax Deduction for Contributions to College Savings Accounts CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERINS	OTP-AM	S-5

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill reinstates the income tax deduction for certain contributions to qualified tuition programs under Section 529 of the Internal Revenue Code up to \$250 per designated beneficiary. This deduction was in effect from 2006 to 2015.

Committee Amendment "A" (S-5)

This amendment increases from \$250 to \$1,000 the maximum allowable contribution that may be deducted when calculating income tax. The amendment also adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 72 An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DILL J TIPPING R	OTP-AM	S-31

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This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an income tax exemption for military compensation for active duty service by members of the Armed Forces of the United States, including reserve components, when that service is performed within the State.

Committee Amendment "A" (S-31)

This amendment incorporates a fiscal note.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 73 An Act To Provide an Income Tax Deduction for Certain Student Loan Payments Made Directly to a Lender on Behalf of a Taxpayer CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-219

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an income tax credit for certain student loan repayments made by the Finance Authority of Maine or an entity managed or administered by the Finance Authority of Maine. The credit is equal to the amount an individual is required to include in federal adjusted gross income as the result of student loan payments made directly to the individual's student loan lender by the Finance Authority of Maine, or an entity managed or administered by the Finance Authority of Maine, for residents of the State employed by a business located in the State multiplied by the individual's highest federal marginal income tax rate.

Committee Amendment "A" (S-219)

This amendment strikes the provisions of the bill and provides an income tax deduction for student loan payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State. The amendment also adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 85 An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COREY P DIAMONDB	OTP-AM	H-59

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides a sales tax exemption for the purchase of firearm safety devices and an income tax deduction of

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up to \$250 for the purchase of a safe or lockbox for securing firearms.

Committee Amendment "A" (H-59)

This amendment strikes the bill and instead establishes a sales tax exemption for a safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 104	An Act To Replace the Earned Income Tax Credit with the Maine Work Credit	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VITELLIE	OTP-AM	S-297
TEPLER D	OTP-AM	

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill expands the earned income tax credit by increasing the credit from 5% to 15% of the federal earned income tax credit and extending the credit to persons from 18 to 24 years of age who have no qualifying child. This bill also requires the Department of Labor, Bureau of Labor Standards to provide a poster or notice to employers that states that employees may be eligible for the earned income tax credit. This bill requires employers to post the poster or notice in a place that is accessible to the employers' employees.

Committee Amendment "A" (S-297)

This amendment, which is the majority report of the committee, replaces the provisions of the bill amending the earned income tax credit with the Maine work credit. The Maine work credit is similar to the federal earned income tax credit but uses different factors for calculating the credit that are intended to produce a state credit for individuals with qualifying children that is approximately 23% of the federal credit and for individuals with no qualifying children that is approximately 70% of the federal credit. The amendment also provides eligibility for individuals who are at least 18 years of age but less than 25 years of age who have no qualifying children and creates a minimum credit for students and eligible caregivers. The amendment also adds an appropriations and allocations section.

Committee Amendment "B" (S-298)

This amendment, which is the minority report of the committee, expands the earned income tax credit by increasing the credit from 5% of the federal earned income tax credit to 60% for individuals with no qualifying children and 15% of the federal earned income tax credit for all other eligible individuals for tax years beginning in 2020 and increasing each year until it reaches 23% for tax years beginning in 2023 and after. This amendment also adds an appropriations and allocations section. This amendment was not adopted.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 133 An Act To Fully Restore State-Municipal Revenue Sharing for Fiscal Year 2018-19

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EVANGELOS J MIRAMANTD	ONTP	

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill restores state-municipal revenue sharing to 5% from 2% for the entire fiscal year 2018-19.

See also LD 193.

Part H of the biennial budget, Public Law 2019, chapter 343, set state municipal revenue sharing at 3% of the revenue sharing base in fiscal year 2019-20 and 3.75% of the revenue sharing base in fiscal year 2020-21.

LD 162 An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BELLOWS S DOORE D	OTP-AM	S-418

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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 result in reductions in the amount of Social Security benefits that a retiree is eligible to receive under the federal windfall elimination provision. This bill provides a state income tax exemption for those retirement benefits.

Committee Amendment "A" (S-418)

This amendment establishes an income tax exemption for civil service retirement plan benefits that do not participate in the federal Social Security program in recognition of the fact that the current law provides an income exemption for all Social Security benefits in addition to a \$10,000 pension exemption for retirement plan benefits. The amendment phases in greater parity in treatment of the two types of pension systems by increasing the civil service pension deduction amount by \$5,000 per year until 2024 when it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act. This amendment also adds an appropriation for computer programming costs to add an additional line to the individual income tax form.

This bill was carried over on the Special Appropriations Table to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 163 An Act Regarding Property Tax Relief for Veterans

ONTP

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature.

This bill provides enhanced property tax exemptions for certain veterans. A veteran regardless of age becomes eligible for a \$25,000 exemption if the veteran has served at least 90 days of active service and has served in a combat zone. A veteran with a service-connected disability becomes eligible for a \$50,000 exemption if the disability is rated 50% to 90% and a \$100,000 exemption if the disability is rated 100%. A surviving unremarried spouse, minor child or parent who is receiving a pension based on the service of a deceased veteran qualifies for the same exemption the veteran would have been eligible for. A municipality is reimbursed for the constitutionally mandated 50% of the property tax revenue loss as a result of the enhanced exemption.

See also LDs 1042 and 1194.

LD 164 An Act To Reduce Property Taxes for Maine Residents

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M PIERCE T	OTP-AM	S-231

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill increases the total exemption under the Maine resident homestead property tax exemption program to \$50,000 for property tax years beginning on or after April 1, 2020. This bill also increases state reimbursement to municipalities for homestead property tax exemptions from 62.5% to 100% for property tax years beginning on or after April 1, 2020.

Committee Amendment "A" (S-231)

This amendment increases the homestead property tax exemption to \$30,000 instead of \$50,000 as in the bill and requires municipalities to include a statement on tax bills regarding the availability of the homestead tax exemption and providing information on how to apply. The amendment also adds an appropriations and allocations section.

Part H of the biennial budget, Public Law 2019, chapter 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LD 1234.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th

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Legislature by joint order, S.P. 788.

LD 193 An Act To Fully Fund and Restore State-Municipal Revenue Sharing

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARNETT T	OTP-AM OTP-AM	H-260 S-174 CHIPMAN B

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill restores state-municipal revenue sharing to 5% from 2% on January 1, 2019.

Committee Amendment "A" (H-260)

This amendment, which is the majority report of the committee, incorporates a fiscal note.

Committee Amendment "B" (H-261)

This amendment, which is the minority report of the committee, provides that the state-municipal revenue sharing percentage is 2.5% for fiscal year 2019-20 and 3% for fiscal year 2020-21 and returns to 5% in fiscal year 2021-22. This amendment was not adopted.

Senate Amendment "A" (S-174)

This amendment removes the emergency preamble and emergency clause.

See also LD 133.

Part H of the biennial budget, Public Law 2019, chapter 343, set state municipal revenue sharing at 3% of the revenue sharing base in fiscal year 2019-20 and 3.75% of the revenue sharing base in fiscal year 2020-21.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 241 An Act To Adjust the Personal Property Tax Exemption for Farm Machinery

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M CARPENTER M	OTP-AM	H-335

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill increases the amount of the exemption from personal property taxation for farm machinery from \$10,000 to \$45,000.

Committee Amendment "A" (H-335)

This amendment provides a time frame for implementation of the increase in the property tax exemption for farm

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machinery, provides administrative provisions for the Bureau of Revenue Services to enforce the exemption and verify required state reimbursement amounts and requires the State to reimburse municipalities for 100% of property taxes lost as a result of the increase in the exemption. This amendment also includes an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 268 An Act To Create a Credit under the Commercial Forestry Excise Tax Veto Sustained
for Landowners Using Businesses Based in the United States

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T TIPPING R	OTP-AM	S-218 S-277 JACKSON T

This bill provides a credit against the commercial forestry excise tax for landowners who are based in the United States and who employ and retain businesses or contractors that are based in the United States, that employ at least 75% United States residents and that are current in the payment of all state and local taxes. The bill also requires recapture of the credit if a recipient is found to have been ineligible.

Committee Amendment "A" (S-218)

This amendment requires a landowner seeking the credit against the commercial forestry excise tax to obtain affidavits indicating that businesses or contractors retained by the landowner are based in the United States, that at least 75% of their employees are United States residents and that they are current in the payment of all state and local taxes. It makes other technical changes to the bill.

Senate Amendment "A" To Committee Amendment "A" (S-277)

This amendment changes the starting date for the credit to tax years based on the status of property on or after April 1, 2022, and changes the percentage of employees who must be residents of the United States from 75% to 90% for the first two years of the credit.

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session of the 129th Legislature.

LD 286 An Act To Provide a Sales Tax Exemption for Menstrual Products CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D BREEN C	OTP-AM	H-58

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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

Committee Amendment "A" (H-58)

This amendment changes the term used to describe the products subject to exemption and changes the definition to that in the federal Streamlined Sales and Use Tax Act to simplify multistate administration.

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This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 335 An Act To Require the State To Distribute 12 Percent of Adult Use Marijuana Retail Sales and Excise Tax Revenue to Generating Municipalities **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WARREN C DESCHAMBAULTS	OTP-AM ONTP	H-484 S-287 SANBORN H

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill allocates 25% of the gross sales and excise tax revenue generated by adult use marijuana establishments in the State to the municipalities where the revenue was generated and makes a reduction to the amount deposited in the Adult Use Marijuana Public Health and Safety Fund.

Committee Amendment "A" (H-484)

This amendment, which is the majority report of the committee, changes from 25% to 12% the amount of sales tax and excise tax revenue generated by adult use marijuana establishments required to be transferred to the municipalities where the revenue was generated after the transfer to the Adult Use Marijuana Public Health and Safety Fund and the deduction of state administrative costs. The amendment also adds an appropriations and allocations section.

Senate Amendment "A" To Committee Amendment "A" (S-287)

This amendment makes technical changes to the bill, as amended by Committee Amendment "A," that are necessitated by recent changes to the laws governing adult use marijuana that were enacted in Public Law 2019, chapter 231.

This bill again was carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 403 An Act To Prevent Tax Haven Abuse **CARRIED OVER**

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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. The assessor is required to submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether

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jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.

This bill, which had been voted (OTP-A/ONTP) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 420 An Act To Amend the Maine Exclusion Amount in the Estate Tax CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINGS B CHIPMAN B		

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322. This bill was recommitted to the Taxation Committee at the end of the First Regular Session.

This bill returns the exclusion amount, below which the Maine estate tax does not apply, to \$2,000,000 from \$5,600,000 for estates of decedents dying on or after January 1, 2020 and removes the annual adjustment for inflation of that exclusion amount.

Committee Amendment "A" (H-610)

This amendment, which was the majority report of the committee, makes a technical correction to the language that ends the annual adjustment for inflation of the exclusion amount for tax years after 2019 and includes appropriations to cover the cost of administering the change in the exclusion amount.

This amendment was reported out of committee during the First Regular Session but removed when the bill was recommitted to committee at the end of the First Regular Session.

This bill, which had been voted (OTP-A/ONTP) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 424 An Act To Provide a Sales Tax Exemption for Baling Twine, Net and Wrapping for Hay CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M BLACK R	OTP-AM	H-57

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides a sales tax exemption for baling twine, net and wrapping for hay.

Committee Amendment "A" (H-57)

This amendment incorporates a fiscal note.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 451 An Act To Repeal the Recently Enacted Changes to the Law Governing ONTP
Tax Lien Foreclosure

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOORE M TUELL W	ONTP	

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill repeals or removes the changes to the foreclosure law that were made by Public Law 2017, chapter 478. Under that law, a municipality is restricted in how it may sell a foreclosed property that was owned by a person who is at least 65 years of age, occupied the property as a homestead and meets specified income and asset requirements.

Public Law 2017, chapter 478 also placed specific notice requirements regarding the foreclosure process on the State Tax Assessor and municipalities and provided for continuous eligibility under the Maine resident homestead property tax exemption for a person who loses ownership of a homestead to tax lien foreclosure and subsequently regains ownership of the homestead; these provisions are also removed by this bill.

LD 560 An Act To Improve Access to Property Tax Exemptions for New CARRIED OVER
Homeowners

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GROHOSKI N	OTP-AM ONTP	H-194 GROHOSKIN H-77

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides that a permanent resident of the State who owns a homestead in the State does not need to own the homestead for the preceding 12 months in order to qualify for the Maine resident homestead property tax exemption.

Committee Amendment "A" (H-77)

This amendment, which was the majority report of the committee, provides that the bill's expansion of the homestead property tax exemption to include persons who have not owned a homestead for the preceding 12 months first applies for property tax years beginning on or after April 1, 2020. The amendment also adds an appropriations and allocations section.

House Amendment "A" To Committee Amendment "A" (H-194)

This amendment increases the state reimbursement rate of property taxes lost due to such participation to 100% for the first year; thereafter, the rate of state reimbursement returns to the current rate of 62.5%.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 564 An Act To Encourage the Installation of Solar Panels on Residential Property ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLUME L BREEN C	ONTP	

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides a property tax exemption for solar panels and associated equipment installed on residential property that qualifies for a homestead exemption.

LD 607 An Act To Provide Equitable Taxation for the Food and Beverage Industry CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERINS	OTP-AM ONTP	S-280

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill allows a deduction from Maine individual and corporate taxable income for the federal tax credit equal to the reduction in salaries and wages expense for federal income tax purposes associated with the taxpayer's federal credit for employer social security tax on employee cashed tips. Under current Maine law, when an employer takes the credit available under the federal Internal Revenue Code, the employer receives neither a Maine credit nor a return of the federal disallowed deduction for Maine taxable income purposes; such a deduction is allowed from Maine taxable income for the work opportunity credit and empowerment zone employment credit. This bill makes Maine's treatment consistent across the three federal credits.

Committee Amendment "A" (S-280)

This amendment, which is the majority report of the committee, provides the correct references to the provision of federal law that causes the need for the deductions authorized by the bill and specifies that the deductions apply beginning with the 2019 tax year.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 609 An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales CARRIED OVER

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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This bill provides an incremental sales tax of 1% for those sales currently subject to the 9% sales tax on lodging. The incremental revenue, after reduction for administrative costs, is returned to the municipality or unorganized territory to which the revenue is attributable. The amount received may not be used to reduce any other state aid or revenue sharing to municipalities or the unorganized territory.

This bill, which had been voted (OTP-A/ONTP) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 625 An Act To Phase Out the Insurance Premium Tax on Annuities

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S DOW D	OTP-AM	H-32

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill phases out the insurance premium tax on annuity considerations over four years beginning in 2020. During the phase-out period, the prescribed rate applies only if the insurer credits the savings from the rate reductions to annuity holders. The bill also specifies that certain deductions related to annuities may be deducted from annuity considerations for tax periods beginning on or after January 1, 2020.

Committee Amendment "A" (H-32)

This amendment changes the phase-out of the insurance premium tax on annuity considerations from four years to nine years and provides that during the phase-out period the retaliatory tax on non-Maine insurance companies does not apply. The amendment also adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 660 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>
MASTRACCIO A	OTP-AM	H-183

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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

Committee Amendment "A" (H-183)

The amendment adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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**LD 682 An Act To Provide Seniors and Certain Persons with Disabilities
Assistance with Property Taxes through the Deferral of Those Taxes**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-443

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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 unable to continue employment due to disability and to surviving spouses who are at least 60 years of age or who are unable to continue employment due to disability and provides that income must be less than \$40,000. This income limit is indexed for inflation in 2021 and annually thereafter. The bill also changes the rate of accrual of interest 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. The bill adds a maximum liquid asset standard 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.

Committee Amendment "A" (H-443)

This amendment makes changes to clarify provisions of the State's property tax deferral program and to facilitate the administration of the deferral of property taxes for seniors and certain persons with disabilities, including 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. The amendment adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

**LD 709 An Act To Exempt Certain Meals Provided to Food Service Employees
from the Sales and Use Tax**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S VITELLIE	OTP-AM	H-328

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill exempts from sales and use tax meals, up to a maximum cost to the employer of \$6 per day, provided to an employee of an eating establishment while that employee is working. It provides that, beginning in 2020, the amount of the exemption must be adjusted for inflation.

Committee Amendment "A" (H-328)

This amendment provides that the tax exemption applies to meals that are provided at no cost to an employee who is actually working as a food service employee and that the exempted meals do not include alcoholic beverages. The amendment also removes the maximum meal cost limitation and inflation indexing provisions and allocates the exemption to a more appropriate subsection.

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This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 726 An Act To Make Sales to Area Agencies on Aging Tax-exempt

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREAD JACKSONT	OTP-AM	H-56

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an exemption from the sales and use tax to area agencies on aging, as designated by the Department of Health and Human Services, and public and private nonprofit agencies that are operating under grants provided by the department, that provide social services in order to secure and maintain maximum independence and dignity in a home environment for older people capable of self-care with appropriate supportive services.

Committee Amendment "A" (H-56)

This amendment adds an exemption from the service provider tax for sales of taxable services to agencies that the bill makes eligible for a sales tax exemption.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 731 An Act To Amend the Maine Tax Laws

ONTP

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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

This bill proposes to amend the Maine tax laws.

LD 732 An Act To Provide a Sales Tax Exemption for Nonprofit Career and Technical Student Organizations

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R LUCHINIL	OTP-AM	H-391

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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

Committee Amendment "A" (H-391)

This amendment adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 863 An Act To Exempt Diapering Products from Sales Tax CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D VITELLIE	OTP-AM ONTP	H-212

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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

Committee Amendment "A" (H-212)

This amendment, which is the majority report of the committee, incorporates a fiscal note.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 903 An Act To Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUDDY S CHIPMAN B	ONTP	

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill establishes two new tax brackets and three new rates for corporate income tax purposes for tax years beginning on or after January 1, 2020. Under the bill, corporate income between \$2,000,000 and \$3,000,000 is taxed at the rate of 8.5% and corporate income between \$3,000,000 and \$3,500,000 is taxed at the rate of 8.75%; such income is taxed under current law at the rate of 8.33%. The top tax rate, which is imposed on corporate income over \$3,500,000, is increased from 8.93% to 9%.

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**LD 977 An Act To Restore the Super Credit for Substantially Increased
Research and Development**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEPLER A BELLOWS S	OTP-AM	H-621

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

Under a tax credit that expired January 1, 2014, a taxpayer that qualified for a research expense tax credit was allowed a so-called super credit for qualified research expenses for research conducted in this State. A taxpayer who had unused credits may carry over any unused credit for the next succeeding 10 years, except that the credit is limited to no more than 25% of the taxpayer's tax due after the allowance of other tax credits.

This bill restores the availability of the super credit, retroactive to January 1, 2014, and resets the base amount to the average annual amount spent by the taxpayer on qualified research expenses during the three years before the credit is taken or during the three years before the effective date of this legislation, whichever is greater.

Committee Amendment "A" (H-621)

This amendment restores the super credit for substantially increased research and development for tax years beginning on or after January 1, 2019. The amendment also provides reporting and evaluation requirements to permit evaluation of the credit in meeting its intended purposes.

This bill was again carried over, still on the special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

**LD 989 An Act To Improve Maine's Tax Laws by Providing a Property Tax
Exemption for Central Labor Councils**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHIPMAN B	OTP-AM ONTP	S-416

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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

This bill proposes to enact changes to the tax laws to improve the application and efficacy of the tax laws.

Committee Amendment "A" (S-416)

This amendment, which is the majority report to the committee, replaces the bill which is a concept draft. The amendment provides a property tax exemption for real estate and personal property owned and occupied or used solely for their own purposes by central labor councils.

This bill was carried over on the Special Appropriations Table to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 1019 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>
KEIM L	OTP-AM	S-230

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill eliminates double taxation of certain employee contributions to retirement benefit plans made in other states by exempting from Maine income tax the portion of retirement benefits attributable to the taxpayer's contribution to an employee retirement plan or an individual retirement account that was taxed by another jurisdiction if those benefits are included in federal adjusted gross income.

Committee Amendment "A" (S-230)

This amendment 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 2019 tax year. The \$35,000 pension deduction amount that applies after the 2023 tax year is subject to an annual inflation adjustment.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1042 An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROBERTS T	OTP-AM	H-748

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill permits a veteran with a service-connected disability rated by the United States Department of Veterans Affairs at 30% or greater to choose to receive a homestead exemption equal to 50% of the just value of the homestead multiplied by the veteran's percentage disability rating instead of the current homestead exemption and exemptions for veterans and legally blind persons. The bill requires the State to reimburse municipalities for 75% of the revenue loss attributable to the new exemption.

Committee Amendment "A" (H-748)

This amendment changes the property tax exemption proposed in the bill from a homestead exemption to an exemption for the estates of veterans for property tax years beginning on or after April 1, 2021. Like current exemptions for the estates of veterans, the exemption is also made available to an eligible survivor, who may be a widow or widower, a minor child or a parent of an eligible disabled veteran, following the death of the eligible disabled veteran. The calculation of the exemption is changed to provide a flat exemption amount that increases from \$1,500 to \$6,000 based on the percentage of the veteran's service-connected disability. The amendment also requires state reimbursement to municipalities and the Unorganized Territory Education and Services Fund for 100% of the property tax revenue lost as a result of the exemptions.

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See also LDs 163 and 1194.

This bill was carried over on the Special Appropriations Table to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1076 An Act To Account for Market Change in the Adult Use Marijuana Excise Tax **ONTP**

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill changes the excise tax on adult use marijuana cultivation facilities from a tax based on quantity to a tax based on a percentage of the average market price for the category of marijuana sold. The bill requires the average market price to be determined quarterly by the Department of Administrative and Financial Services. The tax would not apply to sales by a cultivation facility to a licensee with which it is vertically integrated.

LD 1150 An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access **CARRIED OVER**

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill excludes from benefits under the Maine Tree Growth Tax Law a parcel of land to which public access for recreational use is limited or prohibited.

Committee Amendment "A" (H-749)

This amendment is the minority report of the committee. The amendment limits the application of the public access requirement in the bill to parcels of land larger than 50,000 acres.

This bill was carried over in the House to any special session of the 129th Legislature by joint order, S.P. 788, pending acceptance of the ONTP report.

LD 1156 An Act To Create the Savings Account Program for Small Businesses **ONTP**

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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This bill establishes the Savings Account Program for Small Businesses in the Finance Authority of Maine to certify corporations eligible to claim a tax credit for contributions made to qualifying savings accounts. The bill creates the tax credit and establishes that withdrawals from the savings accounts are taxable income.

LD 1158 An Act To Provide Property Tax Relief

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TALBOT ROSS R SANBORN H	OTP-AM	H-382

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill amends the property tax fairness credit under the income tax laws for tax years beginning on or after January 1, 2020, by changing the formula for calculation of benefits to reflect the calculation that applied under the Maine Residents Property Tax Program, referred to as "the circuitbreaker program," which was in effect prior to enactment of the property tax fairness credit.

Committee Amendment "A" (H-382)

This amendment changes "calendar year" to "tax year" in the definition of "household income" and clarifies that the income factor for the calculation proposed in the bill of the property tax fairness credit is household income. This amendment also adds an appropriations and allocations section.

Part H of the biennial budget bill, Public Law 2019, chapter 343, changes the formula for calculation of the property tax fairness credit to residents whose property taxes or rent constituting property taxes on homestead property exceeds 5%, rather than 6% in current law of the resident's income tax for tax years beginning on or after January 1, 2020.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1163 An Act Regarding Energy, Utilities and Technology

ONTP

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the laws regarding energy, utilities and technology. This bill was referred to the Taxation Committee by the Joint Standing Committee on Energy, Utilities and Technology during the First Regular Session with a recommended draft of an income tax credit for investments in qualified high-speed internet projects.

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LD 1164 An Act To Improve the Educational Opportunity Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-229

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill makes the current income tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2020, and creates a new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2020. The new credit contains the following provisions.

1. 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.
2. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt organizations, do not qualify for the credit.
3. The credit may not reduce the tax due to less than zero.
4. The credit for qualified individuals is the lesser of the amount paid on eligible education loans during the taxable year and 15% of the outstanding eligible education loan debt on the date the first education loan payment is made after a degree is earned.
5. The credit for employers is the lesser of the amount paid by an employer on behalf of a qualified employee during the taxable year during the term of employment and 20% of the outstanding eligible education loan debt on the date the first education loan payment is made after December 31, 2019.
6. The credit is available to the spouse of an individual eligible for a credit even if the spouse is not employed.
7. Income tax deductions are provided for student loan payments made directly to a lender by an employer on behalf of a qualified employee and payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State.
8. The annual credit may include loan amounts paid in excess of the amount due during a taxable year. The amendment also provides that credits in excess of those that may be used during a taxable year may be carried over for the next succeeding five years.

Committee Amendment "A" (S-229)

This amendment removes the requirement that a taxpayer's degree was received after 2007 to receive a credit for student loan repayment and provides that taxpayers who were eligible for a refundable credit under the credit for educational opportunity may continue to receive a refundable credit for tax years beginning before January 1, 2022. The amendment also increases from \$50,000 per year to \$75,000 per year the funds provided to market the Job Creation Through Educational Opportunity Program.

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This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1194 An Act To Increase Property Tax Relief for Veterans

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T NADEAUC	OTP-AM	S-136

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill increases the property tax exemption beginning on or after April 1, 2020, from \$6,000 to \$10,000 of the just value of a home of a veteran who served in the Armed Forces of the United States during specified periods or who is receiving compensation from the United States Government for total, service-connected disability.

Committee Amendment "A" (S-136)

This amendment increases to \$10,000 the property tax exemption for all categories of eligible veterans other than those receiving a \$50,000 exemption for specially adapted housing units and who are paraplegic veterans. It also expands the dates of federally recognized war periods to include February 1, 1955 to February 27, 1961. State reimbursement is provided for 100% of the property tax revenue loss to municipalities as a result of the increase and expansion of exemptions. The amendment also adds an appropriations and allocations section.

See also LD 163 and 1024.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1200 An Act To Amend the Maine Seed Capital Tax Credit Program

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M GIDEON S	OTP-AM	S-169

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill amends the Maine Seed Capital Tax Credit Program by:

1. Reducing from 50% to 40% the maximum credit available to individual investors and private venture capital funds for investments made after April 1, 2019;
2. Requiring that eligible exporting businesses retain in Maine a majority of their employees;
3. Reducing from \$5,000,000 to \$3,500,000 the total aggregate investment eligible for tax credits for any one business;
4. Limiting to \$2,000,000 the total aggregate investment eligible for any one business in any calendar year; and

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5. Increasing from \$5,000,000 to \$15,000,000 the overall annual limit on total authorized credits.

Committee Amendment "A" (S-169)

This amendment restricts the increase in the overall annual limit on total authorized credits to calendar years 2019 to 2025, removes the requirement that a majority of an eligible business's employment associated with the creation and sale of a product or a provision of services be within the State and provides a structure for the required reporting of data to facilitate an evaluation of the effectiveness of the credit by the Office of Program Evaluation and Government Accountability.

The contents of this bill, as amended by Committee Amendment "A" were enacted in the supplemental budget, Public Law 2019, chapter 616, Part LL. See summary of LD 2126 summarized by the Joint Standing Committee on Appropriations and Financial Affairs.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1234 An Act To Expand the Value of the Homestead Exemption to \$25,000 and State Reimbursement to 70 Percent of Lost Property Tax Revenue

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
AUSTIN B	OTP-AM	H-482
LIBBY N	OTP-AM	

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill increases for property tax years beginning April 1, 2020, the value of the homestead exemption benefit under the Maine resident homestead property tax exemption from \$20,000 to \$25,000 and increases the state reimbursement for the lost property tax revenue from 62.5% to 100%. The bill also provides that the property tax assessed on a homestead eligible for the homestead exemption may not be less than \$100.

Committee Amendment "A" (H-482)

This amendment, which is the majority report of the committee, changes to 70% the percentage of state reimbursement of lost property tax revenue due to the increase in the homestead exemption in the bill. It also removes from the bill the provision that the tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. The amendment also adds an appropriations and allocations section.

Committee Amendment "B" (H-483)

This amendment, which is the minority report of the committee, removes from the bill the increase in the value of the homestead exemption and the provision that the tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. The amendment also adds an appropriations and allocations section. This amendment was not adopted.

See also LD 164.

Part H of the biennial budget, Public Law 2019, chapter 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th

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Legislature by joint order, S.P. 788.

LD 1238 An Act To Exempt Certain Print Publications from Sales Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEPLER A GRATWICK G	OTP-AM ONTP	H-330

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill expands the sales tax exemption for free publications to also apply to printed publications, including daily newspapers, that are issued at least once every seven days, on average.

Committee Amendment "A" (H-330)

This amendment, which is the majority report of the committee, removes language from the bill that changes the definition of "publication" to retain the minimum average publication interval of three months, as found in the current law, required for a publication to qualify for the exemption.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1254 An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding To Treat Opioid Use Disorder

CARRIED OVER

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

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322. This bill was recommitted to the Taxation Committee at the end of the First Regular Session.

This bill allows a municipality to impose a local option sales tax, which may be seasonal, on prepared food, not including marijuana or marijuana products, and short-term lodging of no more than 1% if approved by referendum of the voters in that municipality. Revenue from the local option sales tax is distributed 85% to the municipality and 15% to all other municipalities. The 15% distributed to a municipality must be used by that municipality for the purposes of preventing and treating opioid use disorder in that municipality. 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-536)

This amendment, which was a committee report during the First Regular Session, provides that a municipality adopting a local option sales tax on meals and lodging is limited to a tax rate of 1% and provides that the tax must be assessed year-round. The amendment changes the distribution of local sales tax net revenue to 75% for the municipality imposing the tax and 25% to be distributed to the Maine Rural Development Authority. A local option sales tax may not take effect before July 1, 2021.

This amendment was reported out of committee but removed when the bill was recommitted at the end of the First Regular Session.

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House Amendment "A" To Committee Amendment "A" (H-593)

This amendment, which was adopted by the House during the First Regular Session, limits the local option sales tax to lodging. This amendment was removed when the bill was recommitted at the end of the First Regular Session.

Committee Amendment "B" (H-747)

This amendment, which was the majority report of the committee during the Second Regular Session, changes the local option sales tax proposed in the bill by limiting it to lodging; limiting it to 1%; and requiring it to be imposed year-round. The amendment changes the distribution of local sales tax net revenue to 75% for the municipality imposing the tax and 25% to be distributed to the Maine Rural Development Authority. The amendment also provides that a local option sales tax may not take effect before July 1, 2021.

This bill was carried over in the House, pending acceptance of either report, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1256 An Act To Provide a Health Care Preceptor Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A MOORE M	OTP-AM	H-331

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill establishes a refundable tax credit in the amount of \$500 per student, up to a maximum of \$1,500 per year, for a health care preceptor who provides, without compensation, instruction to and supervision of advanced practice registered nursing students in an approved course of study. A health care preceptor may be a licensed physician, physician's assistant or advanced practice registered nurse.

Committee Amendment "A" (H-331)

This amendment requires a health care preceptor to submit documentation of the activities necessary for the preceptor to qualify for an income tax credit and removes the provision making the credit refundable.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1322 An Act To Provide Equitable Tax Treatment to State-licensed Marijuana Businesses

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JORGENSEN E CHIPMAN B	OTP-AM	H-334

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill expands the list of licensed marijuana businesses that are eligible to take tax deductions otherwise allowed under the state income tax laws to include adult use marijuana establishments and testing facilities and medical

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marijuana manufacturing facilities. This bill also corrects two lettering conflicts created when two separate public laws enacted new paragraphs with the same letter designations by reallocating the later enacted versions.

Committee Amendment "A" (H-334)

This amendment provides a General Fund appropriation for administrative costs.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1362 An Act To Fund Opioid Treatment by Establishing an Excise Tax on Manufacturers of Opioids

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M CHIPMAN B	OTP-AM OTP-AM	H-608 H-650 O'NEIL M

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill establishes the Opioid Stewardship Fund within the Fund for a Healthy Maine for the purpose of supporting opioid use disorder prevention, treatment and recovery funded by an excise tax of 0.1¢ per morphine milligram equivalent assessed against opioid drug manufacturers for opioid drugs purchased by consumers in the State.

Committee Amendment "A" (H-608)

This amendment, which is the majority report of the committee, makes the following changes to the bill.

1. It provides that the excise tax is a tax on manufacturers of opioids if more than 100,000 morphine milligram equivalents of the manufacturer's prescription opioid products are dispensed in the State in the tax year.
2. It changes the rate of the tax from 0.1¢ per morphine milligram equivalent to \$0.01 per morphine milligram equivalent for a brand-name opioid distributed in the State or \$0.0025 per morphine milligram equivalent for a generic substitute.
3. It removes the prohibition on passing the tax on to consumers.
4. It provides that revenue collected from the tax also may be used to fund the costs of administering the tax and provides necessary administrative details.
5. It provides that the tax is in effect until December 31, 2023, and requires the joint standing committee of the Legislature having jurisdiction over taxation matters to review the tax. It authorizes the committee to submit a bill to extend, amend or repeal the tax to the 131st Legislature based on the review.
6. It adds an appropriations and allocations section.

Committee Amendment "B" (H-609)

This amendment, which is the minority report of the committee, changes the bill to a resolve and directs the Commissioner of Health and Human Services, in consultation with the director of opioid response in the Executive Department and the Department of Administrative and Financial Services, Maine Revenue Services, to convene a study group to examine the need for funding for opioid use disorder education, prevention, treatment and recovery

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services and to identify sustainable sources of funding. The commissioner is directed to present a report of the study group's findings and recommendations to the Joint Standing Committee on Taxation and the Joint Standing Committee on Appropriations and Financial Affairs by January 10, 2020. Each committee may submit legislation to the Second Regular Session of the 129th Legislature regarding the results of the report. This amendment was not adopted.

House Amendment "B" To Committee Amendment "A" (H-650)

This amendment to the committee amendment strikes the list of information that must be reported annually by a manufacturer of opioids to the Department of Health and Human Services and substitutes a requirement that the department adopt major substantive rules establishing the information that must be reported. The amendment also provides a different method of determining the products subject to the two levels of tax specified in the committee amendment and changes elements of the calculation of the rates.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1424 An Act To Create an Access to Justice Income Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-332

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an income tax credit for five years for attorneys who practice law in the State and agree to practice for at least five years in an underserved area of the State as determined by the Supreme Judicial Court. Eligibility for the credit is open from 2020 through 2025. The court may certify up to five eligible attorneys each year. The joint standing committee of the Legislature having jurisdiction over taxation matters is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.

Committee Amendment "A" (H-332)

This amendment changes the entity reporting information to the Legislature regarding the access to justice credit from the State Tax Assessor to the Supreme Judicial Court and clarifies that the authorized disclosure by the assessor of tax information related to the credit is to the Supreme Judicial Court for purposes of making the report to the Legislature.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1520 An Act To Create and Sustain Jobs and Encourage Affordable Housing through Development of Cooperatives and Employee-owned Businesses

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N DAUGHTRY M	OTP-AM	S-260

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

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This bill supports employee-owned businesses and cooperatives in the following ways.

1. It excludes from Maine income tax the amount of gain, up to a maximum of \$750,000 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.
3. It requires the Department of Economic and Community Development, Office of Business Development to encourage and assist employee-owned businesses by requiring the office to: develop educational programs, including convening an annual conference on employee ownership issues; provide information about employee ownership and technical assistance to retiring business owners, employees of plants threatened with closure and entrepreneurs interested in creating businesses with broadly shared ownership; link Maine businesses interested in implementing employee ownership to available financial, technical and legal resources; and help businesses interested in implementing some form of employee ownership to obtain financing, as well as undertake other duties.
4. It requires the Commissioner of Economic and Community Development to give priority to employee-owned businesses, either established or in the process of becoming employee-owned, when providing loans or grants from funds or programs maintained by the department.
5. It requires the Maine Public Employees Retirement System to conduct a study to determine how funds held by the system may be invested responsibly in employee-owned businesses in this State and to report its findings to the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, which is authorized to report out a bill to the Second Regular Session of the 129th Legislature based on the study and recommendations of the system.

Committee Amendment "A" (S-260)

This amendment requires the Department of Economic and Community Development, Office of Business Development to contract with a nonprofit development organization with relevant expertise to develop and manage the Maine Employee Ownership Center to provide information and programs to assist businesses in the transition to employee or cooperative ownership, rather than requiring the office to provide those services.

The amendment removes requirements that the Department of Administrative and Financial Services, Maine Revenue Services collect specified data and report annually to the Office of Program Evaluation and Government Accountability and that the Maine Public Employees Retirement System study investment of funds in employee-owned businesses.

The amendment also makes changes to facilitate the administration and evaluation of the deductions provided in the bill.

The amendment also adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 1597 An Act To Provide a Sales Tax Exemption for Purchases Made by Nonprofit Youth Camps

PUBLIC 550

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAMPSONH	OTP-AM ONTP	H-381

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session of the 129th Legislature. It became law without her signature at the beginning of the Second Regular Session.

This bill provides an exemption from the sales and use tax for purchases made by nonprofit organizations that operate seasonal campgrounds in Maine.

Committee Amendment "A" (H-381)

This amendment, which is the majority report of the committee, provides that the sales tax exemption applies to nonprofit youth camps that are licensed by the Department of Health and Human Services and entitled to a property tax exemption. The amendment also adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2019, chapter 550 provides an exemption from the sales and use tax for purchases made by nonprofit youth camps that are licensed by the Department of Health and Human Services and are entitled to a property tax exemption.

LD 1608 An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANTD NADEAU C	OTP-AM	S-168

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an exemption from the sales and use tax for trailers that are purchased in the State but then driven or transported outside the State immediately upon delivery.

Committee Amendment "A" (S-168)

This amendment incorporates a fiscal note.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 1645 An Act To Create Affordable Workforce and Senior Housing and Preserve Affordable Rural Housing

PUBLIC 555

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAUR POULIOTM	OTP-AM	S-374 BREEN C

This bill as carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill creates a refundable income tax credit allocated by the Maine State Housing Authority for affordable housing projects. The credit is equal to 100% of the federal credit for a qualified Maine project or 50% of \$100,000 or more of qualified basis of an affordable housing project for which a federal credit is not claimed up to \$500,000. The Maine State Housing Authority may allocate up to \$20,000,000 in credits each year 2021 to 2024. Ten percent of the credit must be set aside for the preservation of affordable housing units that are constructed with financial assistance from the United States Department of Agriculture, Office of Rural Development, Rural Housing Service and at risk of losing their affordable status. In addition, 30% of the credit allocated to new housing units is targeted for seniors and 20% is targeted for rural areas. The credit is subject to reporting requirements and a process for tax expenditure review by the Office of Program Evaluation and Government Accountability.

Committee Amendment "A" (H-481)

This amendment, which was adopted during the First Regular Session, makes several changes to the procedure for administration of the credit for affordable housing to appropriately reflect the most effective responsibilities of the Maine State Housing Authority and the Department of Administrative and Financial Services, Maine Revenue Services and requires the authority to adopt routine technical rules necessary for administration of the credit. The amendment also removes the date for a report by the Office of Program Evaluation and Government Accountability.

Senate Amendment "A" (S-374)

This amendment was adopted during the Second Regular Session to replace Committee Amendment "A" which was indefinitely postponed. This amendment incorporates the substance of the bill, as amended by Committee Amendment "A", and makes the following changes:

1. It extends the length of time the credit is available by four years until December 31, 2028;
2. It reduces the total allocation from \$20,000,000 to \$10,000,000;
3. It reduces the amount of the total allocation, including amounts carried forward from prior calendar years, from \$25,000,000 to \$15,000,000;
4. It requires that, in allocating the credit for the construction or adaptive reuse of buildings for new rental units, the Maine State Housing Authority require or provide incentives to encourage that occupancy preference, for a defined number of units, be given to persons who qualify for supportive housing; and
5. It updates the statutory sections to reflect changes in the law that were enacted in the First Regular Session of the 129th Legislature.

Enacted Law Summary

Public Law 2019, chapter 555 creates a refundable income tax credit allocated by the Maine State Housing Authority for affordable housing projects. The credit is equal to 100% of the federal credit for a qualified Maine

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project or 50% of \$100,000 or more of qualified basis of an affordable housing project for which a federal credit is not claimed up to \$500,000. The Maine State Housing Authority may allocate up to \$10,000,000 in credits each year 2021 to 2028. Ten percent of the credit must be set aside for the preservation of affordable housing units that are constructed with financial assistance from the United States Department of Agriculture, Office of Rural Development, Rural Housing Service and at risk of losing their affordable status. In allocating the credit for the construction or adaptive reuse of buildings for new rental units, the Maine State Housing Authority must require or provide incentives to encourage that occupancy preference, for a defined number of units, be given to persons who qualify for supportive housing. In addition, 30% of the credit allocated to new housing units is targeted for seniors and 20% is targeted for rural areas. The credit is subject to reporting requirements and a process for tax expenditure review by the Office of Program Evaluation and Government Accountability.

LD 1647 An Act To Provide Tax Fairness to Maine's Middle Class and Working Families ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S CHIPMAN B	ONTP	

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill, for tax years beginning on or after January 1, 2020, requires payment of a tax equalization assessment if a tax family has an expanded income of at least \$250,000 for a tax family filing as a single individual, \$325,000 for a tax family filing as a head of a household or \$400,000 for a tax family filing a married joint return or filing a joint return as a surviving spouse, and an effective tax rate that is less than the average effective tax rate on state and local taxes paid by the bottom 99% of tax families. The tax equalization assessment is an amount equal to the difference in the average effective tax rate on state and local taxes paid, calculated by decile, and a tax family's individual effective tax rate on state and local taxes paid, the sum of which is multiplied by a tax family's expanded income.

This bill also provides the following tax benefits.

1. For property tax years beginning on or after April 1, 2020, the bill increases the total amount of the Maine resident homestead property tax exemption by \$5,000 to \$25,000 of the just value of the homestead.
2. For income tax years beginning on or after January 1, 2020, this bill increases the earned income tax credit from 5% of the federal earned income tax credit to 10% of the federal earned income tax credit.
3. For income tax years beginning on or after January 1, 2019, this bill expands benefits under the property tax fairness credit by reducing from 6% to 5% the eligibility threshold percentage of property taxes, or rent constituting property taxes, compared to household income.

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**LD 1698 An Act To Create Jobs and Slow Climate Change by Promoting the
Production of Natural Resources Bioproducts**

PUBLIC 628

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R	OTP-AM	H-552
JACKSON T	OTP-AM	H-731 FECTEAU R

This bill, as amended by Committee Amendment "A," was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session. During the Second Regular Session this bill was recalled from the Governor's desk and, as described in this summary, was acted upon without reference to committee.

This bill provides an income tax credit for the production of renewable chemicals by the conversion of renewable biomass from the forest, farms, the sea or solid waste. The credit is equal to 7¢ per pound of renewable chemical produced in the State, 9¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that the contractors hired or retained by a landowner to harvest renewable biomass used in production of the renewable chemicals are third-party certified by the Northeast Master Logger program or successor program and at least 50% of the contractors' employees are residents of the United States or 12¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that the contractors hired or retained by a landowner to harvest renewable biomass used in such production are third-party certified by the Northeast Master Logger program and at least 75% of the contractors' employees are residents of the United States. Renewable chemicals are defined to include chemicals, polymers, plastics and formulated products, and to exclude substances used for food, feed or fuel, with limited exceptions. The bill also reinstates the tax credit for commercial production and use of biofuels.

Committee Amendment "A" (H-552)

This amendment, which was the majority report of the committee during the First Regular Session, includes a provision permitting the Department of Administrative and Financial Services, Maine Revenue Services to provide to the Department of Economic and Community Development information necessary for administration of the renewable chemicals tax credit and strikes language that would create an overlap of the renewable chemicals tax credit and the credit for the commercial production and use of biofuels.

Committee Amendment "B" (H-553)

This amendment, which was the minority report of the committee during the First Regular Session, includes a provision permitting the Department of Administrative and Financial Services, Maine Revenue Services to provide to the Department of Economic and Community Development information necessary for administration of the renewable chemicals tax credit and strikes language that would create an overlap of the renewable chemicals tax credit and the credit for the commercial production and use of biofuels. The amendment also removes provisions establishing different tiers of credit calculation if a taxpayer uses contractors that are third-party certified by a northeast master logger program and has employees at least 50% of whom or 75% of whom are residents of the United States. This amendment was not adopted.

House Amendment "A" To Committee Amendment "A" (H-731)

This amendment, adopted during the Second Regular Session, changes the credit allowed under the bill to remove the variable credit of between 7¢ and 12¢ per pound of renewable chemical, which is based on the certification level of the contractors hired or retained to harvest the renewable biomass and the residency of those contractors' employees, to a flat credit of 8¢ per pound of renewable chemical as long as the taxpayer demonstrates to the Department of Economic and Community Development that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals meet the eligibility

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conditions specified in the Employment Security Law, in the Maine Revised Statutes, Title 26, chapter 13. This amendment also delays by one year the application date of the tax credit.

This amendment also corrects numbering conflicts in the bill and Committee Amendment "A" created when a different chaptered law enacted provisions with the same paragraph letter or section number.

Enacted Law Summary

Public Law 2019, chapter 628 provides an income tax credit for the production of renewable chemicals by the conversion of renewable biomass from the forest, farms, the sea or solid waste. The credit is equal to 8¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals meet the eligibility conditions specified in the Employment Security Law, in the Maine Revised Statutes, Title 26, chapter 13. Renewable chemicals are defined to include chemicals, polymers, plastics and formulated products, and to exclude substances used for food, feed or fuel, with limited exceptions. The law also reinstates the tax credit for commercial production and use of biofuels.

LD 1718 An Act To Exempt Purchases by Pet Food Pantries from Sales Tax

PUBLIC 551

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E BICKFORD B	OTP-AM	S-241

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session of the 129th Legislature. It became law without her signature at the beginning of the Second Regular Session.

The bill provides an exemption from the sales and use tax for purchases made by nonprofit organizations that provide pet food and supplies for little or no charge to low-income owners of pets.

Committee Amendment "A" (S-241)

This amendment provides that, in order to be eligible for a sales tax exemption, an incorporated nonprofit organization must be organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets. The amendment also adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2019, chapter 551 provides an exemption from the sales and use tax for purchases made by nonprofit organizations that are organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets.

LD 1808 An Act To Provide a Sales Tax Exemption for Certain Nonprofit Charitable Organizations

PUBLIC 552

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART T JACKSON T	OTP-AM	H-599

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular

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Session. It became law without her signature at the beginning of the Second Regular Session.

The bill provides an exemption from the sales and use tax for sales made to a nonprofit community-based worldwide charitable organization that provides, using private funding, financial support to other nonprofit charitable organizations at the community level.

Committee Amendment "A" (H-599)

This amendment adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2019, chapter 552 provides an exemption from the sales and use tax for sales made to a nonprofit community-based worldwide charitable organization that provides, using private funding, financial support to other nonprofit charitable organizations at the community level.

LD 1898	An Act Regarding Property Taxes on Certain Energy Generation Projects	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANBORN H DOUDERA V	ONTP	

This bill provides that, for property tax purposes, the State Tax Assessor determines the valuation of the property of an energy generation project that is located partially in the unorganized territory and partially in organized areas and apportions to the organized areas the portion of the project valuation located in each organized area. The valuation of an energy generation asset determined by the State Tax Assessor may not be considered captured assessed value for tax increment financing purposes, and an appeal of a valuation may be made to the State Board of Property Tax Review.

LD 1914	An Act To Provide a Sales Tax Exemption for Textbooks	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLETT R FECTEAUR		

This bill exempts from the sales and use tax textbooks purchased for use by a student.

This bill, which had been voted by the committee but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1919	An Act To Provide a Tax Credit for Family Caregivers	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLOUTIER K POULIOT M		

This bill provides, beginning in 2021, a refundable income tax credit of up to \$2,000 to a taxpayer who personally provides at least 150 hours per year of personal care assistance services for the care and support of an eligible

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family member 18 years of age or older. The 150-hour annual threshold may be met by providing care to one or more eligible family members or, if the taxpayer is married filing a joint return, by combining the hours of both taxpayers providing care to one or more eligible family members. The credit is subject to reduction based on the income and length of Maine residency of the individual. 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 relative by blood or marriage of the eligible family caregiver or a registered domestic partner of the eligible family caregiver.

This bill, which had been voted but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1929 Resolve, Establishing the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAUR JACKSONT	OTP-AM ONTP	H-696

This resolve establishes the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses and directs the commission, no later than November 4, 2020, to submit a report, including suggested legislation, for presentation to the First Regular Session of the 130th Legislature. The commission is directed to study issues related to taxation of working families and small businesses and recommend legislation to ensure that tax policy is fair, equitable and competitive and adequately funds important government services. The commission is also directed to evaluate the direct impact of its proposed tax changes on after-tax income by income decile. Maine Revenue Services is directed to provide requested nonconfidential data.

Committee Amendment "A" (H-696)

This amendment adds three additional members to the commission, one representing a statewide organization that represents the interests of municipalities, one representing a statewide organization of farming interests and one tax policy expert. The amendment also adds additional language specifying the duties of the commission.

This resolve, as amended by Committee Amendment "A," was carried over on the Special Study Table to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1958 An Act To Expand Tax Increment Financing To Include Adult Care Facilities and Services and Certain Child Care Facilities PUBLIC 604

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MEYER M CLAXTONN	OTP-AM	H-695

This bill expands the permitted use of tax increment financing to include costs associated with certain adult care facilities and child care facilities and clarifies that allowable costs include promotion of workforce development and retention.

Committee Amendment "A" (H-695)

This amendment clarifies the definitions of "adult care facilities" and "child care facilities" as they pertain to project costs for purposes of tax increment financing.

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Enacted Law Summary

Public Law 2019, chapter 604 expands the permitted use of tax increment financing to include costs associated with certain adult care facilities and child care facilities and clarifies that allowable costs include promotion of workforce development and retention.

LD 1980 An Act To Create Incentives for Employers To Allow Employees to Work Remotely in Rural Maine CARRIED OVER

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

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

This bill proposes to create a tax credit for businesses that create positions that allow their employees to work remotely from their homes or somewhere else outside of their office or place of employment. The credit is directly connected to the number of remote positions created and filled. If a business eliminates a remote position, it would lose the tax credit corresponding to that position.

This bill, which had been voted (ONTP) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1993 An Act To Clarify the Law Relating to Corporate Income Tax Nexus and the Shipment of Spirits into the State CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANBORN H CROCKETTE	OTP-AM	S-437

This bill exempts from the corporate income tax a manufacturer of alcoholic spirits located outside of this State whose only nexus with the State is the storage of that manufacturer's spirits in a warehouse operated or approved for operation by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations.

Committee Amendment "A" (S-437)

This amendment incorporates a fiscal note.

This bill was carried over on the Special Appropriations Table to any special session of the 129th Legislature by joint order, S.P. 788.

LD 2008 An Act Making Technical Changes to the Maine Tax Laws PUBLIC 607

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP-AM	H-693

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This bill is submitted by the Department of Administrative and Financial Services, Maine Revenue Services to make technical changes to Maine tax laws. The bill makes the following changes.

Part A makes changes related to property tax. Part A:

1. Clarifies the time period when excess tax increment revenues can be transferred by a municipality to the municipality's general fund.
2. Removes the requirement that a notice of a tax lien pursuant to the Maine Revised Statutes, Title 36, Part 2 contain the signature of a notary public, when filed by the State Tax Assessor.
3. Resolves a conflict created when two public laws amended the same section of law in different ways and updates the notice of proposed state valuation provision by requiring the notice to be made to the municipal officers of the municipality instead of the chair of the board of assessors or the chair of the board of selectmen.
4. Changes the term "manufactured home" to "manufactured housing" to match the defined term in the Maine Revised Statutes, Title 10.
5. Conforms a cross-reference to legislative drafting manual standards.
6. Removes the signature requirements under the real estate transfer tax laws with respect to assignation of rights in relation to foreclosed real property.
7. Clarifies that the municipal property tax assistance program benefits cap is an annual cap.

Part B makes changes related to sale and service provider taxes. Part B:

1. Clarifies in the exclusion to the definition of "retail sale" for sales and use tax purposes that the sale of positive airway pressure equipment for rental for personal use to a person engaged in the business of renting positive airway pressure equipment also includes oxygen delivery equipment. The clarification applies retroactively to sales occurring on or after January 1, 2012.
2. Removes the requirement under the health care provider tax provision that a return be submitted with the monthly estimated payment.
3. Corrects a cross-reference to the marijuana excise tax.

Part C makes changes related to income tax. Part C:

1. Clarifies that information regarding the tax credit for major food processing and manufacturing facility expansion provided to the Office of Program Evaluation and Government Accountability is exempt from the confidentiality statute and corrects cross-references related to the disclosure of that information.
2. Removes the requirement that a tax table be used to calculate use tax reportable on individual income tax returns. The change applies to individual income tax years beginning on or after January 1, 2020.
3. Strikes references to losses in the Maine income tax law regarding the installment sale of Maine real or tangible property. Because a taxpayer must already report the entire loss in the year of the sale for both federal and Maine income tax purposes, what is purported to be an option to accelerate the claim of the loss under Maine income tax law has no purpose or practical effect. Removing the references to such losses clarifies the law and is intended to mitigate taxpayer confusion.

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4. Clarifies that the net operating loss credit under the financial institutions franchise tax is computed by multiplying Maine net income by the applicable franchise tax rate.
5. Delays the State Tax Assessor's yearly reporting requirement for the tax credit for Maine shipbuilding facility investment until December 31st, clarifies that the report is for the tax year ending during the immediately preceding calendar year and defines the term "revenue loss" for the purposes of the State Tax Assessor's annual reporting requirement. These changes effect consistency with the reporting requirements for the credit for major business headquarters expansion, as amended by Public Law 2017, chapter 375, and the credit for major food processing and manufacturing facility expansion.
6. Delays the State Tax Assessor's yearly reporting requirement for the tax credit for major food processing and manufacturing facility expansion until December 31st of each year, clarifies that the report is for the tax year ending during the immediately preceding calendar year and defines the term "revenue loss" for the purposes of the State Tax Assessor's annual reporting requirement. These changes effect consistency with the reporting requirements for the credit for major business headquarters expansion, as amended by Public Law 2017, chapter 375, and the credit for Maine shipbuilding facility investment.
7. Repeals the provision of law that requires the calculation of income tax using blended tax rates for fiscal year filers when there is a change in tax rate that does not refer to the first day of the taxable year.

Part D makes changes related to administration of the tax laws. Part D:

1. Clarifies that one or more responsible individuals may be designated to collect trust fund taxes under the Maine Revised Statutes, Title 36, section 177.
2. Clarifies that the definition of "identified contract" applies to all of the Maine Revised Statutes, Title 36, section 194-D concerning Maine Revenue Services background investigations.
3. Clarifies that an additional background investigation is not required when a person who is currently employed by Maine Revenue Services applies for another position within Maine Revenue Services.
4. Codifies the practice of rounding the Maine estate tax exclusion amount cost-of-living adjustment to the nearest multiple of \$10,000.

Committee Amendment "A" (H-693)

This amendment clarifies the existing law that provides that the 10% sales tax rate applies to three categories of motor vehicles rented for less than one year: automobiles; pickup trucks or vans weighing less than 26,000 pounds that are rented from a person primarily engaged in the business of renting automobiles; and certain loaner vehicles.

Enacted Law Summary

Public Law 2019, chapter 607 makes technical changes to the tax laws.

Part A makes the following changes to property tax laws:

1. Clarifies the time period when excess tax increment revenues can be transferred by a municipality to the municipality's general fund.
2. Removes the requirement that a notice of a tax lien pursuant to the Maine Revised Statutes, Title 36, Part 2 contain the signature of a notary public, when filed by the State Tax Assessor.

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3. Resolves a conflict created when two public laws amended the same section of law in different ways and updates the notice of proposed state valuation provision by requiring the notice to be made to the municipal officers of the municipality instead of the chair of the board of assessors or the chair of the board of selectmen.
4. Changes the term "manufactured home" to "manufactured housing" to match the defined term in the Maine Revised Statutes, Title 10.
5. Conforms a cross-reference to legislative drafting manual standards.
6. Removes the signature requirements under the real estate transfer tax laws with respect to assignation of rights in relation to foreclosed real property.
7. Clarifies that the municipal property tax assistance program benefits cap is an annual cap.

Part B makes the following changes to sales tax laws:

1. Clarifies in the exclusion to the definition of "retail sale" for sales and use tax purposes that the sale of positive airway pressure equipment for rental for personal use to a person engaged in the business of renting positive airway pressure equipment also includes oxygen delivery equipment. The clarification applies retroactively to sales occurring on or after January 1, 2012.
2. Clarifies existing law that provides that the 10% sales tax rate applies to three categories of motor vehicles rented for less than one year: automobiles; pickup trucks or vans weighing less than 26,000 pounds that are rented from a person primarily engaged in the business of renting automobiles; and certain loaner vehicles
3. Removes the requirement under the health care provider tax provision that a return be submitted with the monthly estimated payment.
4. Corrects a cross-reference to the marijuana excise tax.

Part C makes the following changes to income tax laws:

1. Clarifies that information regarding the tax credit for major food processing and manufacturing facility expansion provided to the Office of Program Evaluation and Government Accountability is exempt from the confidentiality statute and corrects cross-references related to the disclosure of that information.
2. Removes the requirement that a tax table be used to calculate use tax reportable on individual income tax returns. The change applies to individual income tax years beginning on or after January 1, 2020.
3. Strikes references to losses in the Maine income tax law regarding the installment sale of Maine real or tangible property. Because a taxpayer must already report the entire loss in the year of the sale for both federal and Maine income tax purposes, what is purported to be an option to accelerate the claim of the loss under Maine income tax law has no purpose or practical effect. Removing the references to such losses clarifies the law and is intended to mitigate taxpayer confusion.
4. Clarifies that the net operating loss credit under the financial institutions franchise tax is computed by multiplying Maine net income by the applicable franchise tax rate.
5. Delays the State Tax Assessor's yearly reporting requirement for the tax credit for Maine shipbuilding facility investment until December 31st, clarifies that the report is for the tax year ending during the immediately preceding calendar year and defines the term "revenue loss" for the purposes of the State Tax Assessor's annual reporting

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requirement. These changes effect consistency with the reporting requirements for the credit for major business headquarters expansion, as amended by Public Law 2017, chapter 375, and the credit for major food processing and manufacturing facility expansion.

6. Delays the State Tax Assessor's yearly reporting requirement for the tax credit for major food processing and manufacturing facility expansion until December 31st of each year, clarifies that the report is for the tax year ending during the immediately preceding calendar year and defines the term "revenue loss" for the purposes of the State Tax Assessor's annual reporting requirement. These changes effect consistency with the reporting requirements for the credit for major business headquarters expansion, as amended by Public Law 2017, chapter 375, and the credit for Maine shipbuilding facility investment.

7. Repeals the provision of law that requires the calculation of income tax using blended tax rates for fiscal year filers when there is a change in tax rate that does not refer to the first day of the taxable year.

Part D makes the following administrative changes to tax laws:

1. Clarifies that one or more responsible individuals may be designated to collect trust fund taxes under the Maine Revised Statutes, Title 36, section 177.
2. Clarifies that the definition of "identified contract" applies to all of the Maine Revised Statutes, Title 36, section 194-D concerning Maine Revenue Services background investigations.
3. Clarifies that an additional background investigation is not required when a person who is currently employed by Maine Revenue Services applies for another position within Maine Revenue Services.
4. Codifies the practice of rounding the Maine estate tax exclusion amount cost-of-living adjustment to the nearest multiple of \$10,000.

LD 2010 An Act To Update References Contained in the Maine Revised Statutes to the United States Internal Revenue Code of 1986

CARRIED OVER

Sponsor(s)

TIPPING R

Committee Report

OTP-AM

Amendments Adopted

H-718

This bill is submitted by the Department of Administrative and Financial Services, Maine Revenue Services. This bill 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, 2019, for tax years beginning on or after January 1, 2019, 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.

Committee Amendment "A" (H-718)

This amendment provides that, for tax years beginning on or after January 1, 2020, the Maine standard deduction under the Maine income tax is equal to the federal standard deduction and is not limited by the federal Internal Revenue Code of 1986, Section 63.

The contents of this bill, as amended by Committee Amendment "A" were enacted in the supplemental budget bill, Public Law 2019, chapter 616, Part X. See summary of LD 2126 summarized by the Joint Standing Committee on Appropriations and Financial Affairs.

This bill was carried over on the Special Appropriations Table to any special session of the 129th Legislature by

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joint order, S.P. 788.

**LD 2011 An Act To Update Certain Provisions in the Income Tax and Service
 Provider Tax Laws**

CARRIED OVER

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

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

Part A updates, clarifies and simplifies the service provider tax law regarding consumer purchases of digital media by equalizing the tax treatment between the various modes of purchase for sales occurring on or after October 1, 2020.

Part B clarifies and simplifies the corporate income tax law by establishing clearly defined, objective nexus thresholds as a practical structure for the current general "economic nexus" standard. These so-called factor presence thresholds clarify the minimum thresholds that, when exceeded by a corporation, subject that corporation to the Maine corporate income tax. In addition, the new thresholds create a safe harbor for corporations with little activity within the State that nonetheless have nexus under current law due to a small, but greater than de minimis, physical presence in the State. The new thresholds are \$250,000 of property, \$250,000 in payroll or \$500,000 in sales in Maine, or 25% of total property, payroll or sales in Maine, as determined under the Maine Revised Statutes, Title 36, chapter 821. The thresholds apply to tax years beginning on or after January 1, 2021.

Part C updates the individual income tax law by extending and aligning inflation indexing provisions in two respects. First, the bill indexes the recently enacted dependent exemption tax credit for inflation. Second, the bill aligns inflation indexing for the lowest income tax brackets and the highest income tax brackets by allowing an additional one-year inflation adjustment for the highest income tax bracket, indexing the dollar amounts to the same inflation benchmark, the Chained Consumer Price Index for the 12-month period ending June 30, 2015. These changes apply to tax years beginning on or after January 1, 2021.

Part D updates and simplifies Maine income tax law by conforming the Maine income tax with the federal net operating loss limitation. This Part applies retroactively to tax years beginning on or after January 1, 2018.

Committee Amendment "A" (H-767)

This amendment is the majority report of the committee. This amendment amends provisions of the bill relating to the taxation of digital audio-visual and digital audio services. The amendment clarifies the corporate income tax nexus provisions of the bill by referring to "nexus" instead of "substantial nexus." The amendment also exempts from the sales and use tax and from the service provider tax sales to a nonprofit organization that has been determined by the United States Internal Revenue Service to be exempt from income taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986 if the property or services sold are to be used primarily for the purposes for which the nonprofit organization was organized. The amendment requires the Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy to review sales tax and service provider tax exemptions to identify provisions that should be repealed or amended because they are duplicative or otherwise unnecessary and to submit legislation repealing or modifying those exemptions. The amendment also adds an appropriations and allocations section.

Committee Amendment "B" (H-768)

This amendment is the minority report of the committee. This amendment strikes provisions of the bill relating to

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the taxation of digital audio-visual and digital audio services. The amendment clarifies the corporate income tax nexus provisions of the bill by referring to "nexus" instead of "substantial nexus." The amendment also exempts from the sales and use tax and from the service provider tax sales to a nonprofit organization that has been determined by the United States Internal Revenue Service to be exempt from income taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986 if the property or services sold are to be used primarily for the purposes for which the nonprofit organization was organized. The amendment requires the Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy to review sales tax and service provider tax exemptions to identify provisions that should be repealed or amended because they are duplicative or otherwise unnecessary and to submit legislation repealing or modifying those exemptions. The amendment also adds an appropriations and allocations section.

This bill was carried over in the House pending acceptance of either committee report to any special session of the 129th Legislature by joint order, S.P. 788.

LD 2012 *Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory* RESOLVE 119

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP-AM	H-694

This resolve is submitted by the Department of Administrative and Financial Services, Maine Revenue Services. This resolve 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 through foreclosure for nonpayment of property taxes.

Committee Amendment "A" (H-694)

This amendment changes the list of matured tax liens to correct the tax liability amounts of one property, to remove two properties and add one property.

Enacted Law Summary

Resolve 2019, chapter 119 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 through foreclosure for nonpayment of property taxes.

LD 2045 *An Act Relating to the Valuation of Certain Retail Property* CARRIED OVER

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

This bill provides that, for property tax purposes, retail sales facilities in excess of 20,000 square feet must be valued based on their current use compared to similar properties in their retail market segment or, if vacant, according to their highest and best use.

This bill, which had not yet been voted by the committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

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LD 2047 An Act To Amend the State Tax Laws

PUBLIC 659

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP-AM	H-766

This bill is submitted by the Department of Administrative and Financial Services, Maine Revenue Services. This bill does the following.

Part A authorizes the Department of Administrative and Financial Services, Maine Revenue Services to disclose certain confidential tax information to the Department of Professional and Financial Regulation, Bureau of Insurance as necessary to administer Maine's insurance taxes and the credit for disability income protection plans in the workplace.

Part B clarifies that "eligible business equipment" under the business equipment tax exemption program does not include property to the extent it is eligible for exemption from property tax under any other provision of law and "qualified property" does not include any vehicle on which a tax assessed pursuant to the Maine Revised Statutes, Title 36, chapter 111 has been paid.

Part C allows a married taxpayer to claim a personal exemption deduction for that taxpayer's spouse when not filing a joint return, as long as the spouse has no gross income during the taxable year and, notwithstanding the temporary suspension of the federal personal exemption deduction through 2025, a personal exemption deduction may otherwise be claimed for the spouse for federal income tax purposes. This change applies to tax years beginning on or after January 1, 2020. It also amends the real estate withholding law, excepting buyers of real estate from the withholding requirement if the consideration paid for the property is less than \$100,000. This increased threshold is effective for sales occurring on or after January 1, 2021.

Part D allows Maine Revenue Services to set off any refund under Title 36 to cover a liquidated debt owed to another agency of the State. Under current law, only income tax refunds may be set off. Part D also corrects cross-references.

Part E changes the date by which the Department of Economic and Community Development must provide information under the Brunswick Naval Air Station job increment financing program to the State Tax Assessor from June 30th of each year to June 1st of each year. It requires the department to provide information to the assessor necessary to determine the job tax increment under the program. It also establishes a requirement that businesses located in the base area report to the department by April 15th of each year the number of employees employed at the base area during the immediately preceding calendar year, the state income taxes withheld for each of those employees and any other information as may be reasonably required by the department for purposes of administering the program. It repeals the requirement that the State Tax Assessor issue a Pine Tree Development Zone benefits report annually on October 1st.

Part E also changes the date by which businesses under the Maine Employment Tax Increment Financing Program must report required information to the Department of Economic and Community Development from April 15th of each year to March 15th of each year. Part E also establishes May 15th of each year as the date by which the department must provide information to the State Tax Assessor necessary for making determinations of eligibility for reimbursement under the program.

Part F reduces from 60 days to 15 days the time that a taxpayer with a final tax liability exceeding \$1,000 has to cooperate with Maine Revenue Services in a plan for liquidating the tax liability before the State Tax Assessor may

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notify certain licensing authorities of the taxpayer's lack of cooperation, thereby beginning the license revocation process.

Part G specifies that the filing due date is the original due date, without regard to any extension, for purposes of calculating the statute of limitations for assessments and income tax refunds. This Part applies retroactively to tax years beginning on or after January 1, 2017.

Part H makes changes to the real estate transfer tax imposed by the Maine Revised Statutes, Title 36, chapter 711-A, in order to require the filing of real estate transfer tax returns with the State Tax Assessor and the payment of the tax to the State Tax Assessor instead of to the register of deeds for the county in which the real estate being transferred is located. It requires the register of deeds to verify with the State Tax Assessor that the tax liability imposed on the transfer of real property is satisfied before recording the deed transferring the real estate. It directs the State Tax Assessor to prescribe real estate transfer tax returns, removes the statutory requirements to include signatures and taxpayer identification numbers on those forms and clarifies that the value of the real estate transferred must be on the declaration of value.

Part H also provides that the State Tax Assessor is required to develop the computer systems infrastructure necessary to implement the changes made by this Part within four years; the changes made by this Part do not take effect until 90 days after the assessor certifies that the computer systems have been developed.

Part I makes the following changes to the credit for major food processing and manufacturing facility expansion.

1. It clarifies the definition of "qualified investment."
2. It clarifies the effect of a certificate revocation.
3. It changes the cumulative credit limit for a single certificate.
4. It clarifies a certified applicant's reporting requirements.

Committee Amendment "A" (H-766)

This amendment does the following.

1. It excludes amounts due pursuant to the Maine Revised Statutes, Title 36, Part 2 from the refund offset expansion in the bill and clarifies a taxpayer's appeal rights during the process.
2. It clarifies the effect of a federal income tax extension on the state income tax filing dates.
3. It strikes Part H of the bill, which makes changes to the real estate transfer tax.
4. It makes the following changes to the credit for major food processing and manufacturing facility expansion.
 - A. It clarifies that the requirement for a facility to process, produce and manufacture food from agricultural products primarily grown and harvested in the State is an ongoing requirement.
 - B. It clarifies that the expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made.
 - C. It clarifies that jobs that must be added in order to qualify for the credit must be added after the first day of the year in which the certificate of approval was issued.

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D. It clarifies that the headquarters and facility of a certified applicant or of a parent or subsidiary of the certified applicant, must be located in the State and that the annual income of at least 75% of the certified applicant's employees must exceed the most recent annual per capita personal income in the county in which the facility is located in order for the applicant to qualify for a certificate of completion or the credit.

5. It clarifies that property placed in service during tax years beginning on or after January 1, 2015, but before January 1, 2020, for which a bonus depreciation addition modification was required and for which the Maine capital investment credit was not claimed is eligible for a depreciation subtraction modification in tax years beginning after 2019 to allow the taxpayer to fully claim depreciation on that property over the class life of the property for Maine income tax purposes.

6. It extends the credit for rehabilitation of historic properties from allowing a credit for qualified rehabilitation expenditures made prior to December 31, 2023, to allowing a credit for qualified rehabilitation expenditures made by certified project if the Maine Historic Preservation Commission or the United States Department of the Interior, National Park Service, as required, issues a determination on or before December 31, 2025, that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation.

Enacted Law Summary

Public Law 2019, chapter 659 makes the following changes to the state tax laws.

Part A authorizes the Department of Administrative and Financial Services, Maine Revenue Services to disclose certain confidential tax information to the Department of Professional and Financial Regulation, Bureau of Insurance as necessary to administer Maine's insurance taxes and the credit for disability income protection plans in the workplace.

Part B clarifies that "eligible business equipment" under the business equipment tax exemption program does not include property to the extent it is eligible for exemption from property tax under any other provision of law and "qualified property" does not include any vehicle on which a tax assessed pursuant to the Maine Revised Statutes, Title 36, chapter 111 has been paid.

Part C allows a married taxpayer to claim a personal exemption deduction for that taxpayer's spouse when not filing a joint return, as long as the spouse has no gross income during the taxable year and, notwithstanding the temporary suspension of the federal personal exemption deduction through 2025, a personal exemption deduction may otherwise be claimed for the spouse for federal income tax purposes. This change applies to tax years beginning on or after January 1, 2020. It also amends the real estate withholding law, excepting buyers of real estate from the withholding requirement if the consideration paid for the property is less than \$100,000. This increased threshold is effective for sales occurring on or after January 1, 2021.

Part D allows Maine Revenue Services to set off any refund under Title 36 to cover a liquidated debt owed to another agency of the State. Under current law, only income tax refunds may be set off. Part D also corrects cross-references.

Part E changes the date by which the Department of Economic and Community Development must provide information under the Brunswick Naval Air Station job increment financing program to the State Tax Assessor from June 30th of each year to June 1st of each year. It requires the department to provide information to the assessor necessary to determine the job tax increment under the program. It also establishes a requirement that businesses located in the base area report to the department by April 15th of each year the number of employees employed at the base area during the immediately preceding calendar year, the state income taxes withheld for each of those employees and any other information as may be reasonably required by the department for purposes of administering the program. It repeals the requirement that the State Tax Assessor issue a Pine Tree Development

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Zone benefits report annually on October 1st.

Part E also changes the date by which businesses under the Maine Employment Tax Increment Financing Program must report required information to the Department of Economic and Community Development from April 15th of each year to March 15th of each year. Part E also establishes May 15th of each year as the date by which the department must provide information to the State Tax Assessor necessary for making determinations of eligibility for reimbursement under the program.

Part F reduces from 60 days to 15 days the time that a taxpayer with a final tax liability exceeding \$1,000 has to cooperate with Maine Revenue Services in a plan for liquidating the tax liability before the State Tax Assessor may notify certain licensing authorities of the taxpayer's lack of cooperation, thereby beginning the license revocation process.

Part G specifies that the filing due date is the original due date, without regard to any extension, for purposes of calculating the statute of limitations for assessments and income tax refunds. This Part applies retroactively to tax years beginning on or after January 1, 2017.

Part H makes the following changes to the credit for major food processing and manufacturing facility expansion.

1. It clarifies that the requirement for a facility to process, produce and manufacture food from agricultural products primarily grown and harvested in the State is an ongoing requirement.
2. It clarifies that the expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made.
3. It clarifies that jobs that must be added in order to qualify for the credit must be added after the first day of the year in which the certificate of approval was issued.
4. It clarifies that the headquarters and facility of a certified applicant or of a parent or subsidiary of the certified applicant, must be located in the State and that the annual income of at least 75% of the certified applicant's employees must exceed the most recent annual per capita personal income in the county in which the facility is located in order for the applicant to qualify for a certificate of completion or the credit.

Part I clarifies that property placed in service during tax years beginning on or after January 1, 2015, but before January 1, 2020, for which a bonus depreciation addition modification was required and for which the Maine capital investment credit was not claimed is eligible for a depreciation subtraction modification in tax years beginning after 2019 to allow the taxpayer to fully claim depreciation on that property over the class life of the property for Maine income tax purposes.

Part J extends the credit for rehabilitation of historic properties from allowing a credit for qualified rehabilitation expenditures made prior to December 31, 2023, to allowing a credit for qualified rehabilitation expenditures made by certified project if the Maine Historic Preservation Commission or the United States Department of the Interior, National Park Service, as required, issues a determination on or before December 31, 2025, that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation.

LD 2061 An Act Regarding the Transportation of Products in the Forest Products Industry

CARRIED OVER

Sponsor(s)

Committee Report

Amendments Adopted

JACKSON T
MCCREAD

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This bill provides that land of a landowner that owns 50,000 or more acres of forest land in the State and allows transportation of forest products harvested on the landowner's land from a location in the State to another location in the State in violation of federal law or regulation or an international trade agreement is ineligible for classification under the Maine Tree Growth Tax Law and the landowner may not receive certain tax incentives or state grants or other state funding.

This bill, which had been voted (ONTP/OTP-A) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 2123 An Act To Create Fairness in the Revitalization of Maine's Paper Industry **CARRIED OVER**

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

This bill creates a refundable income tax credit for a paper manufacturer that:

1. Makes qualifying investments before January 1, 2024, of at least \$15,000,000 to acquire, modernize or improve the machinery used for the production of paper products at paper manufacturing facilities in this State;
2. Employs at least 400 employees at a paper manufacturing facility in this State, at least 75% of whom earn at least 115% of the most recent annual per capita personal income in the county in which the qualified employee is employed;
3. Is located in an area of the State with high unemployment that is not a low-income community that qualifies under the federal new markets tax credit program;
4. Does not receive a Maine new markets capital investment credit for the same investment; and
5. Is headquartered or will be headquartered in this State.

The refundable credit is equal to 4% of the qualified investment per year for 10 years, subject to certain limitations, such as a cap of \$40,000,000 on the total investment eligible for the credit for all taxpayers, for a maximum of aggregate credit claimed of \$1,600,000 per year.

This bill, which had been referred to committee but not yet heard, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 778.

LD 2127 An Act To Support Farmland Preservation By Allowing the Siting of Solar Energy Installations on Land Enrolled in the Farm and Open Space Tax Law Program **CARRIED OVER**

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

This bill allows the siting of solar energy installations on land classified as farmland under the farm and open space tax law as on April 1, 2020, without requiring the portion of the parcel on which the solar energy installation is

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located to be withdrawn from the farm and open space tax law program.

This bill, which had not yet been voted by the committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 2161 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2020-21

**PUBLIC 675
EMERGENCY**

Sponsor(s)

TIPPING R

Committee Report

Amendments Adopted

This bill was not referred to a committee.

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.

Enacted Law Summary

Public Law 2019, chapter 675 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 2019, chapter 675 was enacted as an emergency measure effective March 18, 2020.

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SUBJECT INDEX

Administration of Tax Laws

Enacted

LD 2008 An Act Making Technical Changes to the Maine Tax Laws PUBLIC 607

Income Tax - General

Not Enacted

LD 403 An Act To Prevent Tax Haven Abuse CARRIED OVER

**LD 903 An Act To Improve Corporate Tax Fairness by Amending the Rates
Imposed on Corporate Income ONTP**

**LD 1993 An Act To Clarify the Law Relating to Corporate Income Tax Nexus and
the Shipment of Spirits into the State CARRIED OVER**

**LD 2010 An Act To Update References Contained in the Maine Revised Statutes to
the United States Internal Revenue Code of 1986 CARRIED OVER**

Income Tax Credits, Exemptions, Deductions and Incentives

Enacted

**LD 1645 An Act To Create Affordable Workforce and Senior Housing and
Preserve Affordable Rural Housing PUBLIC 555**

**LD 1698 An Act To Create Jobs and Slow Climate Change by Promoting the
Production of Natural Resources Bioproducts PUBLIC 628**

Not Enacted

**LD 70 An Act To Support the Trades through a Tax Credit for Apprenticeship
Programs CARRIED OVER**

**LD 71 An Act To Reinstate the Income Tax Deduction for Contributions to
College Savings Accounts CARRIED OVER**

LD 72	An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed	CARRIED OVER
LD 73	An Act To Provide an Income Tax Credit for Certain Student Loan Repayments Made Directly to a Lender on Behalf of a Taxpayer	CARRIED OVER
LD 104	An Act To Replace the Earned Income Tax Credit in Maine with the Maine Work Credit	CARRIED OVER
LD 162	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	CARRIED OVER
LD 607	An Act To Provide Equitable Taxation for the Food and Beverage Industry	CARRIED OVER
LD 977	An Act To Restore the Super Credit for Substantially Increased Research and Development	CARRIED OVER
LD 1019	An Act To Increase the Maximum Pension Deduction for State Income Tax	CARRIED OVER
LD 1156	An Act To Create the Savings Account Program for Small Businesses	ONTP
LD 1158	An Act To Provide Property Tax Relief	CARRIED OVER
LD 1163	An Act Regarding Energy, Utilities and Technology	ONTP
LD 1164	An Act To Improve the Educational Opportunity Tax Credit	CARRIED OVER
LD 1200	An Act To Amend the Maine Seed Capital Tax Credit Program	CARRIED OVER
LD 1256	An Act To Provide a Health Care Preceptor Tax Credit	CARRIED OVER
LD 1424	An Act To Create an Access to Justice Income Tax Credit	CARRIED OVER
LD 1520	An Act To Create and Sustain Jobs and Encourage Affordable Housing through Development of Cooperatives and Employee-owned Businesses	CARRIED OVER
LD 1647	An Act To Provide Tax Fairness to Maine's Middle Class and Working Families	ONTP
LD 1919	An Act To Provide a Tax Credit for Family Caregivers	CARRIED OVER
LD 1980	An Act To Create Incentives for Employers To Allow Employees To Work Remotely in Rural Maine	CARRIED OVER

LD 2123 **An Act To Create Fairness in the Revitalization of Maine's Paper Industry** **CARRIED OVER**

Multiple Taxes

Enacted

LD 2047 **An Act To Amend the State Tax Laws** **PUBLIC 659**

Not Enacted

LD 731 **An Act To Amend the Maine Tax Laws** **ONTP**

LD 2011 **An Act To Update Certain Provisions in the Income Tax and Service
Provider Tax Laws** **CARRIED OVER**

Municipal Revenue Sharing

Not Enacted

LD 133 **An Act To Fully Restore State-Municipal Revenue Sharing for Fiscal Year
2018-19** **ONTP**

LD 193 **An Act To Fully Fund and Restore State-Municipal Revenue Sharing** **CARRIED OVER**

Other Taxes

Not Enacted

LD 268 **An Act To Create a Credit under the Commercial Forestry Excise Tax for
Landowners Using Businesses Based in the United States** **Veto Sustained**

LD 335 **An Act To Require the State To Distribute 12 Percent of Adult Use
Marijuana Retail Sales and Excise Tax Revenue to Generating
Municipalities** **CARRIED OVER**

LD 420 **An Act To Amend the Maine Exclusion Amount in the Estate Tax** **CARRIED OVER**

LD 625 **An Act To Phase Out the Insurance Premium Tax on Annuities** **CARRIED OVER**

LD 1076 **An Act To Account for Market Change in the Adult Use Marijuana Excise
Tax** **ONTP**

LD 1322 **An Act To Provide Equitable Tax Treatment to State-licensed Marijuana
Businesses** **CARRIED OVER**

LD 1362	An Act To Fund Opioid Treatment by Establishing an Excise Tax on Manufacturers of Opioids	CARRIED OVER
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Property Tax – Current Use

Not Enacted

LD 1150	An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access	CARRIED OVER
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LD 2061	An Act Regarding the Transportation of Products in the Forest Products Industry	CARRIED OVER
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LD 2127	An Act To Support Farmland Preservation by Allowing the Siting of Solar Energy Installations on Land Enrolled in the Farm and Open Space Tax Law Program	CARRIED OVER
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Property Tax - Exemptions

Not Enacted

LD 163	An Act Regarding Property Tax Relief for Veterans	ONTP
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LD 164	An Act To Reduce Property Taxes for Maine Residents	CARRIED OVER
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LD 241	An Act To Adjust the Personal Property Tax Exemption for Farm Machinery	CARRIED OVER
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LD 560	An Act To Improve Access to Property Tax Exemptions for New Homeowners	CARRIED OVER
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LD 564	An Act To Encourage the Installation of Solar Panels on Residential Property	ONTP
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LD 989	An Act To Improve Maine’s Tax Laws by Providing a Property Tax Exemption for Central Labor Councils	CARRIED OVER
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LD 1042	An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings	CARRIED OVER
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LD 1194	An Act To Increase Property Tax Relief for Veterans	CARRIED OVER
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LD 1234	An Act To Expand the Value of the Homestead Exemption to \$25,000 and State Reimbursement to 70 Percent of Lost Property Tax Revenue	CARRIED OVER
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Property Tax - General

Not Enacted

LD 451 An Act To Repeal the Recently Enacted Changes to the Law Governing Tax Lien Foreclosure ONTP

Property Tax - Valuation

Not Enacted

LD 1898 An Act Regarding Property Taxes on Certain Energy Generation Projects ONTP

LD 2045 An Act Relating to the Valuation of Certain Retail Property CARRIED OVER

Property Tax Relief Programs

Not Enacted

LD 682 An Act To Provide Seniors and Certain Persons with Disabilities Assistance with Property Taxes through the Deferral of Those Taxes CARRIED OVER

Sales and Use Tax

Not Enacted

LD 609 An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales CARRIED OVER

LD 709 An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax CARRIED OVER

LD 1254 An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding To Treat Opioid Use Disorder CARRIED OVER

Sales Tax Exemptions, Exclusions or Refunds

Enacted

LD 1597 An Act To Provide a Sales Tax Exemption for Purchases Made by Nonprofit Youth Camps PUBLIC 550

LD 1718 An Act To Exempt Purchases by Pet Food Pantries from Sales Tax PUBLIC 551

LD 1808	An Act To Provide a Sales Tax Exemption for Certain Nonprofit Charitable Organizations	PUBLIC 552
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Not Enacted

LD 85	An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices	CARRIED OVER
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LD 286	An Act To Provide a Sales Tax Exemption for Menstrual Products	CARRIED OVER
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LD 424	An Act To Provide a Sales Tax Exemption for Baling Twine, Net and Wrapping for Hay	CARRIED OVER
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LD 660	An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax	CARRIED OVER
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LD 726	An Act To Make Sales to Area Agencies on Aging Tax-exempt	CARRIED OVER
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LD 732	An Act To Provide a Sales Tax Exemption for Nonprofit Career and Technical Student Organizations	CARRIED OVER
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LD 863	An Act To Exempt Diapering Products from Sales Tax	CARRIED OVER
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LD 1238	An Act To Exempt Certain Print Publications from Sales Tax	CARRIED OVER
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LD 1608	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	CARRIED OVER
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LD 1914	An Act To Provide a Sales Tax Exemption for Textbooks	CARRIED OVER
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Tax Increment Financing

Enacted

LD 1958	An Act To Expand Tax Increment Financing To Include Adult Care Facilities and Services and Certain Child Care Facilities	PUBLIC 604
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Tax Reform - Restructuring

Not Enacted

LD 1929	Resolve, Establishing the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses	CARRIED OVER
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Unorganized Territory

Enacted

LD 2012	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	RESOLVE 119
LD 2161	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2020-21	PUBLIC 675 EMERGENCY