

Shaded LDs have been voted on by the Committee

3/25/21

**TAXATION COMMITTEE**

MLS 3/25/2021 12:05 PM

**130<sup>th</sup> LEGISLATURE**

**1st REG SESSION**

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
23	175	3/24		Pouliot	An Act To Reinstate and Increase the Income Tax Deduction for Contributions to Education Savings Plans	This bill 1. <u>reinstates the income tax deduction for contributions to Section 529 education savings plans and</u> 2. <u>increases the maximum amount allowed to \$1,000 per designated beneficiary.</u>  A deduction up to \$250 was in effect from 2007 to 2015.			
80	88	2/9	2/18	McCrea	An Act To Provide Critical Communications for Family Farms, Businesses and Residences by Strategic Public Investment in High-speed Internet and broadband Infrastructure (Emergency)	This <u>emergency</u> bill requires: 1. Beginning with sales occurring on or after 6/1/21 2. 33% of sales and use tax revenue collected by the State Tax Assessor from marketplace facilitators, with respect to marketplace-facilitated sales, after required transfers to other funds, be transferred monthly to the ConnectMaine Authority 3. Must be used to further deployment of high-speed Internet and broadband infrastructure to unserved and underserved areas of the State. 4. Takes effect when approved.  Questions raised at PH: 1. Can Maine expect federal \$\$ to support broadband? 2. Is there \$\$ in biennial budget for broadband? 3. Is there federal COVID \$\$ for broadband?	tabled	MRS preliminary estimate of revenue transfer \$15 to \$20 million per fiscal year beginning in FY 22  MRS indicates additional administrative expenses to identify "facilitated sales"	
86	86	2/9	2/18	McCrea	An Act To Make Sales to Area Agencies on Aging Tax-exempt	This bill provides an exemption from the sales and use tax to: 1. Area agencies on aging, as designated by the DHHS, and	OTPA fno	(\$25,650)	(\$62,700)

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

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						<p>2. Public and private nonprofit agencies that are operating under grants provided by DHHS and 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.</p> <p>Same bill (LD 726) was introduced in 129th Legislature; unanimous OTPA from TAX; died in Appropriations Table at end of 129th , 2d Regular Session.</p>			
94	253			Doudera	An Act To Allow Municipalities to Exempt Volunteer Firefighters from Paying Excise Tax on Their Vehicles Used To Respond to Fire Calls	This bill authorizes municipalities to adopt an ordinance extending a vehicle excise tax exemption to volunteer firefighters.			
136	705			Hanley	An Act To Increase the Maximum Pension Deduction for State Income Tax	This bill increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from \$10,000 to \$35,000 over a 5-year period beginning with the 2021 tax year. The \$35,000 pension deduction amount that applies after the 2025 tax year is subject to an annual inflation adjustment.			
140	320	2/9	2/18	Dillingham	An Act To Assist Certain Businesses in the State That Sell Prepared Food or Alcohol	<p>This bill permits retailers selling prepared food or liquor sold by establishments licensed for on-premises sales and taxed at 8% to retain 1/8 of the sales tax collected on those sales to cover administrative expenses.</p> <p>MRS has several policy and technical concern</p>	ONTP/ OTPA	(\$11,371,500)	(\$33,444,750)
141	111	3/2	3/16	Terry	An Act To Make Technical Changes to the Tax Laws	<p>This bill is submitted by MRS:</p> <p>This bill makes technical changes to the tax laws.</p> <p><b>MRS CHART SUMMARIZING CHANGES POSTED ON COMMITTEE MATERIALS WEBPAGE AND PROPOSED AMENDMENT</b>  <a href="http://legislature.maine.gov/9710">http://legislature.maine.gov/9710</a></p> <p>Part A, For changes to the income tax law:  1. Authorizes the Department of Administrative and Financial Services, Maine Revenue Services to disclose information to the Finance Authority of Maine necessary for the administration of the seed capital investment tax credit in the Maine Revised Statutes, Title 36, section 5216-B. The authority is</p>	OTPA		

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						<p>responsible for certifying investments that are eligible for the credit;</p> <p>2. Amends Title 36, section 5164, subsection 2, a provision of the Maine fiduciary income tax law, to incorporate gender-neutral terms, delete a duplicate word and make other technical textual changes;</p> <p>3. Repeals the additional tax on lump-sum retirement plan distributions, which does not apply to tax years beginning after 2012;</p> <p>4. Repeals the additional tax on early distributions from qualified retirement plans, which does not apply to tax years beginning after 2012;</p> <p>5. Clarifies that, for both the tax imposed on insurance companies pursuant to Title 36, chapter 357 and on persons pursuant to Title 36, Part 8, for purposes of the employer credit for family and medical leave, "employees based in the State" means employees that perform more than 50% of employee-related activities for the employer at a location in Maine. This change reflects administrative practice since implementation of the credit;</p> <p>6. Clarifies that a nonresident estate or trust that does not have Maine taxable income or a Maine income tax liability must nonetheless file a Maine income tax return if the estate or trust has distributable net income derived from or connected with sources in Maine and gross income of \$10,000 or more. This change reflects long-standing administrative practice; and</p> <p>7. Amends Title 36, sections 5221 and 5228 to incorporate gender-neutral terms.</p> <p>Part B, changes to the <u>sales tax law</u>:</p> <p>1. Amends the diabetic supplies exemption to require use by the purchaser;</p> <p>2. Includes in Title 36 the effective date of 3 sales tax exemptions enacted in the First Regular Session of the 129<sup>th</sup> Legislature that did not take effect until after the adjournment of the Second Regular Session of the 129<sup>th</sup> Legislature and repeals conflicting public law provisions;</p> <p>3. Clarifies the exemptions for nonprofit worldwide charitable organization; and</p>			

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						<p>4. Removes the Mayo Regional Hospital in Dover-Foxcroft from the hospital tax definition of "municipally funded hospital."</p> <p>Part C, changes to the <u>property tax law</u>:</p> <ol style="list-style-type: none"> <li>1. Clarifies that the local assessor qualifying examination and individual examination results are confidential and thus not producible under a Freedom of Access Act request;</li> <li>2. Clarifies that enhanced business equipment tax exemption reimbursement only applies to tax increment financing exempt business equipment when the reimbursement is used to fund a tax increment financing development program.</li> </ol> <p>Part D, <u>general changes</u> to tax law:</p> <ol style="list-style-type: none"> <li>1. Updates Title 36, section 173, concerning <u>collection by warrant</u>, to clarify the intent and make technical changes; and</li> <li>2. <u>Repeals requirement</u> that TAX Committee <u>report out a bill permanently eliminating corporate tax expenditures totaling \$6,000,000 per biennium</u> by February 6, 2016.</li> </ol> <p><b><u>MRS Proposed Amendment to Part C to make taxpayer identification numbers included in Commercial Forestry Excise Tax return are confidential.</u></b></p>			
146	110	2/23		Terry	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	<p>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 because of nonpayment of property tax.</p> <p>MRS submitted proposed amendment at PH to correct some of the amounts for one property. Available on line at: <a href="http://legislature.maine.gov/9710">http://legislature.maine.gov/9710</a></p>	OTPA fno		
147	109			Terry	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes and Amend Income	The bill does the following. Part A 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			

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					Tax Modifications and the Maine Capital Investments Tax Credit	1986 as amended through December 31, 2020, for tax years beginning on or after January 1, 2018 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended. Part B requires an addition modification for taxable income for income tax purposes for federal excess business losses allowed to noncorporate taxpayers pursuant to the Coronavirus Aid, Relief, and Economic Security Act, or "CARES Act," for taxable years beginning after December 31, 2017 and before January 1, 2021 and a subtraction modification for the carry-over of this amount in future years. Part C requires an addition modification for taxable income for income tax purposes of the federal business interest deduction that exceeds 30% of adjusted taxable income pursuant to the CARES Act for taxable years beginning on or after January 1, 2019 and before January 1, 2021 and a subtraction modification for the carry-over of this amount in tax years beginning on or after January 1, 2021. Part D excludes qualified improvement property placed in service after December 31, 2017 and prior to January 1, 2020 from the Maine capital investment income tax credit. Part E requires an addition modification for taxable income for income tax purposes for the additional charitable contribution deduction allowed to corporations pursuant to the CARES Act for taxable years beginning after January 1, 2019 and before January 1, 2020 and a subtraction modification for the carry-over of this amount in future years. Part F updates and simplifies Maine income tax law by conforming the Maine income tax with the federal net operating loss limitation, generally known as "the 80% taxable income limitation," and the CARES Act suspension of the limitation. This Part and Maine's conformity to the CARES Act net operating loss limitation suspension in Part A apply retroactively to tax years beginning on or after January 1, 2018. Under Part F, the 80% taxable income limitation applies to tax years beginning after 2020. Part G expands the addition modification for the amount of the global intangible low taxed income deduction. For tax years beginning on or after January 1, 2020, the modification is for the total amount of the foreign-derived intangible income and global intangible low-taxed income deduction claimed in			

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						accordance with the Internal Revenue Code, Section 250(a).			
168	538	3/16		Guerin	An Act To Provide a Tax Break for Businesses That Employ People with Disabilities	<p>CONCEPT DRAFT: This bill proposes to provide a payroll tax cut for businesses that employ people with disabilities.</p> <p><b>SPONSOR PROPOSED AMENDMENT:</b> Provides <u>IT credit for employers</u> who employ qualified disabled employees. Credit is <u>equal to the difference between the wage paid and the subminimum wage that would have been allowed under federal law.</u></p>			
179	30	2/23		Kessler	An Act To Exclude Energy Efficiency Improvements from Property Tax	<p>This bill:</p> <ol style="list-style-type: none"> <li>1. Provides property tax exemptions for energy efficiency improvements and</li> <li>2. Requires the Efficiency Maine Trust (EMT) to identify and make available and list such improvements.</li> <li>3. "Energy efficiency improvements" are improvements that               <ol style="list-style-type: none"> <li>A. meet or exceed federal "Energy Star" standards or similar EMT standards; or</li> <li>B. Involve weatherization in a manner approved by EMT</li> </ol> </li> </ol> <p>Issues raised at public hearing:</p> <ul style="list-style-type: none"> <li>• Meaning of "energy efficiency improvements"</li> <li>• Role of Efficiency Maine Trust</li> <li>• Impact on local revenue</li> </ul>	Tabled	<p>MRS estimate</p> <p>Admin costs: 2 positions \$190,000 to \$210,000</p>	<p>MRS estimate</p> <p>Admin costs: 2 positions \$190,000 to \$210,000</p>
188	642	2/23		Jackson	An Act Regarding the Transportation of Products in the Forest Products Industry	<p>This bill</p> <ol style="list-style-type: none"> <li>1. Requires that owners and managers of log yards and mill sites <u>present a copy of a trip ticket to a forest ranger in the log yard or mill site upon request.</u></li> <li>2. Adds a requirement related to the transportation of forest products by providing that a <u>landowner of 50,000 or more acres of forest land in the State may not allow the 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 that prohibits the transportation of goods from a location in the</u></li> </ol>	OTPA/ ONTP		

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						<p>United States to another location in the United States. (cabotage)</p> <p>3. Provides that a <u>landowner with 2 prior violations of the new transportation requirement is ineligible for classification of the landowner's land under the Maine Tree Growth Tax Law, and</u></p> <p>4. Provides that the <u>landowner may not receive BETE, BETR, income tax credits or state grants or other state funding.</u></p> <p>Similar bill (LD 2061) presented in 129th R2 but was not reported out of committee before adjournment and died at end of session.</p> <p>Sponsor suggested changes in testimony at PH. pp.2-3 at the following link:  <a href="http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=144118">http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=144118</a></p>			
191	395	3/18		Bailey	An Act To Permit Municipalities To Provide Assistance to Veterans in Paying Property Taxes	<p>This bill <u>authorizes municipalities</u> to adopt a program that provides benefits:</p> <ol style="list-style-type: none"> <li>1. to veterans and their eligible family members</li> <li>2. who own or rent a homestead in the municipality.</li> </ol> <p>The <u>benefit for owners</u> is <u>based on the impact of property tax equalization</u> on the amount received as a property tax exemption compared to the amount that would have applied if no equalization of value was applied.</p> <p>The <u>benefit for renters</u> is \$100.</p> <p><u>CURRENT LAW:</u>  As required by the Maine Constitution the veteran's exemption of \$6,000 is based on equalized just value. If a municipality's valuation is at 90% of just value, the exemption is reduced to 90% of \$6,000 or \$5,400.</p> <p><u>THIS BILL:</u> provides a benefit to a homeowner equal to the difference in the reduction in property tax due to the equalization of the exemption amount.</p> <p><u>Sponsor indicated intent to provide that benefit is not taxable under the income tax.</u></p>			

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198	717	2/23		Chipman	An Act To Improve Maine's Tax Laws by Providing a Property Tax Exemption for Central Labor Council	<p>This bill provides a <u>property tax exemption</u> for real estate and personal property owned and occupied or used solely for their own purposes by <u>central labor councils</u>.</p> <p>The same language (LD 989) was reported out of TAX Committee during the 129th R2 and died on the Appropriations Table at the end of the 129th Legislature</p> <p><u>Estimated fiscal impact LD 989:</u> FY 22 \$1,625 FY 23 \$1,675</p>	OTPA/ ONTP		
201	780	3/18		Libby	An Act To Reduce Greenhouse Gas Emissions and Promote Weatherization in the Buildings Sector by Extending the Sunset Date for the Historic Property Rehabilitation Tax Credit	<p>This bill extends <u>the income tax credit for rehabilitation of historic properties</u> by amending the definition of "certified qualified rehabilitation expenditure" to <u>extend from 12/31/25 to 12/31/40</u> the date by which the proposed rehabilitation of a structure <u>meets standards for rehabilitation</u> established by the <u>National Park Service</u>.</p> <p>This expands the availability of the credit for 15 years.</p> <p><u>Technical amendment identified to also extend date for MeSHA review and report on % of affordability.</u></p> <p><u>Materials submitted by Maine Preservation</u></p>			
217	315	3/16		Fecteau	An Act To Make Contributions Made To Pay Off School Meal Debt Tax-deductible	<p>This bill provides an <u>income tax deduction</u> for:</p> <ol style="list-style-type: none"> <li>1. An individual or a corporation that makes a <u>contribution to a public or nonprofit private elementary or secondary school</u></li> <li>2. To cover <u>student school meal debt</u></li> </ol> <p>The deduction is <u>NOT</u> allowed if the person making the contribution is the <u>parent</u> of a student or a <u>person otherwise obligated</u> to cover the costs of a student</p> <p>MRS has concerns.</p>			
229	435			Farrin	An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program	<p>This bill increases the annual cap on eligible investment in any one business eligible for the seed capital tax credit from \$2,000,000 to \$3,000,000 and the aggregate cap on eligible investment in any one eligible business from \$3,500,000 to \$6,000,000.</p>			



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241	1198	3/18		Curry	An Act To Support the Trades through a Tax Credit for Apprenticeship Programs	<p>This bill provides:</p> <ol style="list-style-type: none"> <li><u>income tax credit</u></li> <li><u>up to \$2,500 (based on % of hours worked during year)</u></li> <li>for an <u>employer employing an apprentice participating</u> in an apprenticeship program registered by the Maine Apprenticeship Program administered by the Maine Department of Labor.</li> </ol> <p>Begins with TY 2022.</p> <p>MRS has technical concerns; need for clarification.</p>		Preliminary MRS estimate Admin. costs (one time): \$33,000 Revenue loss: \$1.5 million/year	
262	658	3/18		Roberts	An Act To Combat Hunger by Creating a Tax Credit of 10 Percent of Wholesale Market Prices up to \$5,000 Annually for Businesses Engaged in Food Production for Donations of Food to Tax-exempt Organizations –	<p>This bill provides an <u>income tax credit</u> for donations:</p> <ol style="list-style-type: none"> <li>Of <u>agricultural products, aquacultural products or fishing products</u></li> <li><u>By persons engaged in commercial</u> agricultural production, commercial aquacultural production or commercial fishing</li> <li>To a <u>food bank, food kitchen or other tax exempt organization that provides food to low-income individuals without charging a fee for the food or requiring any other type of compensation from the low-income individuals.</u></li> </ol> <p>The credit is equal to 10% of the wholesale market price of the donated products up to a <u>maximum credit of \$5,000.</u></p> <p>MRS technical concerns; need for clarification.</p>		Preliminary MRS estimate Admin costs \$33,000 Revenue loss: no estimate	
276	371			Berry	An Act To Improve and Update Maine's Tax Laws	Concept draft to improve and update tax laws.			
288	551			Dill	An Act To Conform the Maine Income Tax Law with Federal Law To Exempt Paycheck Protection Program Loans from Being Considered Taxable Income	This bill conforms Maine tax law to federal income tax treatment of loan forgiveness under Section 1106(i) of the federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, by providing an income tax exclusion for income attributable to paycheck protection program loan forgiveness that is excluded from federal gross income.			

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290	346			Stewart	An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years	This bill requires a municipality to maintain the property tax on the homestead of a permanent resident who is at least 65 years of age at the amount billed in the year prior to an application for stabilization. The amount by which the property tax assessed exceeds the stabilized amount must be paid to the municipality by the State. If an eligible individual moves to a different municipality, the stabilized property tax amount continues at the new location. An applicant for stabilization must be a permanent resident of the State and must have owned a homestead for at least 10 years. An application for stabilization must be made each year to continue eligibility.			
296	206			Cloutier	An Act To Provide a Tax Credit for Family Caregivers	This bill expands the role of the Department of Health and Human Services with respect to the Respite Care Fund to include services for family caregivers. It provides a refundable income tax credit of \$2,000 for certified family caregivers and permits eligible family caregivers to choose to receive services or a tax credit. It requires the department, by routine technical rulemaking, to prescribe the details of eligibility for family caregiver services and the tax credit within the context of the Respite Care Fund and the National Family Caregiver Support Program. The bill requires the department to establish a stakeholder group to assist in carrying out the purposes of the family caregiver program, evaluating the effect of the program and assisting with the compilation of an annual report. The bill requires that revenue losses to the General Fund attributable to the family caregiver income tax credit be reimbursed from the Respite Care Fund and provides that aggregate expenditures under the Respite Care Fund may not exceed \$5,000,000 annually excluding existing funds and federal revenue.			
308	849	3/24		Stewart	An Act To Promote Research and Development in the State by Increasing and Marketing the Research Expense Tax Credit	This bill <u>increases the research expense tax credit</u> by: 1. <u>doubling the expenditures eligible</u> for the credit from 5% to 10% for expenditures over the federal base amount and from 7.5% to 15% of the federal basic research payments base amount and 2. <u>doubling the maximum amount of the credit</u> that may be claimed from \$25,000 to \$50,000.  The bill also <u>provides ongoing funds</u> of \$100,000 per year beginning in fiscal year 2021-22 <u>to DECD to advertise and market the research expense tax credit.</u>			

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328	711	3/9	3/18	Harnett	An Act To Fully Fund and Restore State-Municipal Revenue Sharing	<p>This bill increases state-municipal revenue sharing to 5% from 3.75% retroactively beginning 1/1/21.</p> <p>This bill is identical to <u>LD 409</u>.</p> <p><b>CURRENT LAW:</b>  RevSh % until 6/30/21 is 3.75%  RevSh % beginning 7/1/21 is 5%</p> <p><b>OTHER PROPOSALS:</b>  <u>LDs 328 and 409</u> set % at 5% 1/1/21.</p> <p><b>Biennial budget proposal:</b>  Maintain % at 3.75% through 6/30/23. Then returns to 5%.</p> <p>OFPR <i>Compendium of State Fiscal Information</i> includes history of Revenue Sharing percentages and transfers (p. 65)  <a href="http://legislature.maine.gov/doc/4877">http://legislature.maine.gov/doc/4877</a></p>	OTPA/ ONTP	MRS preliminary estimate  <b>GF revenue loss:</b> <u>LD 328/409</u> FY 2021               \$5,000,000 FY 2022, 2023   \$47,000,000 (compared to biennial budget proposal)  <u>LD 403</u> FY 2022, 2023   \$38,000,000 (compared to biennial budget proposal)	
351	1552	2/23	3/4	Foster	An Act Regarding Municipal Valuation and State-owned Property	<p>This bill changes the property tax exemption for state-owned property by <u>requiring the State to pay municipal property taxes on the state-owned property in a municipality that exceeds 10% of the total valuation of taxable property in the municipality.</u></p> <p>Begins with 4/1/22 property tax status</p> <p>MRS raised constitutional issues at PH.</p> <p>Charts submitted by Sponsor after PH:  <a href="http://www.mainelegislature.org/legis/bills/getTestimony/Doc.asp?id=144121">http://www.mainelegislature.org/legis/bills/getTestimony/Doc.asp?id=144121</a></p>	ONTP/ OPTA		
392	1798			Terry	An Act To Amend the Tax Laws	<p>This bill is a concept draft pursuant to Joint Rule 208. This bill would amend the tax laws.</p>			
401	446	3/24		Underwood	An Act To Provide a Sales and Use Tax Exemption for Certain Nonprofit Cemeteries	<p>This bill creates a <u>sales and use tax exemption</u> for an <u>incorporated nonprofit cemetery</u> that is exempt from federal income tax under Sec. 501(c)(3) of the United States Internal Revenue Code of 1986.</p>			

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403	622	3/9	3/18	Madigan	An Act To Assist Service Center Communities by Adjusting State-Municipal Revenue Sharing	<p>This bill, for fiscal years 2021-22 and 2022-23, sets the percentage of state-municipal revenue sharing at 4.25%, which is one-half of a percentage point above the amount proposed in the Governor's 2022-2023 biennial budget.</p> <p>Despite bill title, there is no special benefit for service center communities.</p> <p><b>CURRENT LAW:</b> RevSh % until 6/30/21 is 3.75% RevSh % beginning 7/1/21 is 5%</p> <p><b>OTHER PROPOSALS:</b> LDs 328 and 409 set % at 5% 1/1/21.</p> <p><b>Biennial budget proposal:</b> Maintain % at 3.75% through 6/30/23. Then returns to 5%.</p>	ONTP	<p>MRS preliminary estimate</p> <p><b>GF revenue loss:</b> <u>LD 328/409</u></p> <p>FY 2021           \$5,000,000 FY 2022, 2023   \$47,000,000 (compared to biennial budget proposal)</p> <p><u>LD 403</u> FY 2022, 2023   \$38,000,000 (compared to biennial budget proposal)</p>	
409	1054	3/9	3/18	Riseman	An Act To Provide Funding To Restore Fully State-Municipal Revenue Sharing	<p>This bill increases state-municipal revenue sharing to 5% from 3.75% retroactively beginning 1/1/21.</p> <p>This bill is identical to LD 328.</p> <p><b>CURRENT LAW:</b> RevSh % until 6/30/21 is 3.75% RevSh % beginning 7/1/21 is 5%</p> <p><b>OTHER PROPOSALS:</b> LDs 328 and 409 set % at 5% 1/1/21.</p> <p><b>Biennial budget proposal:</b> Maintain % at 3.75% through 6/30/23. Then returns to 5%.</p>	ONTP	<p>MRS preliminary estimate</p> <p><b>GF revenue loss:</b> <u>LD 328/409</u></p> <p>FY 2021           \$5,000,000 FY 2022, 2023   \$47,000,000 (compared to biennial budget proposal)</p> <p><u>LD 403</u> FY 2022, 2023   \$38,000,000 (compared to biennial budget proposal)</p>	
412	606	3/	3/16	Carlow	An Act To Authorize the Use of Tax Increment Financing Funds for	<p>This bill:</p> <p>1. Permits revenue from tax increment financing districts to be used for the construction or</p>	ONTP/ OTPA		

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								FY22	FY23
					Constructing or Renovating Municipal Offices and Other Buildings	<p>renovation of municipal offices or other buildings and</p> <p>2. Limits the revenue that may be used for those purposes to \$1,000,000 during a 20-year period for any one tax increment financing district.</p> <p>The bill also corrects a conflict in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1, paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by incorporating the changes made by both laws.</p> <p>Info provided by Rep. Carlow after PH:  <a href="http://legislature.maine.gov/doc/6275">http://legislature.maine.gov/doc/6275</a></p>			
418	782	3/		Williams	An Act To Create a Graduated Real Estate Transfer Tax	<p><b>CURRENT LAW:</b></p> <p>1. Current <u>rate of real estate transfer tax</u> is \$2.20 per \$500 of value of the real property transferred for both buyer and seller.</p> <p>2. Distribution: Default distribution of tax revenue</p> <p>A. 10% retained by county</p> <p>B. 45% to GF</p> <p>C. 45% to HOME Fund at MeSHA for housing assistance.</p> <p>Over the last 10+ years, funds have been diverted from the GF and the HOME Fund for other purposes. See compendium. <a href="http://legislature.maine.gov/doc/6065">http://legislature.maine.gov/doc/6065</a></p> <p><b>This bill:</b></p> <p>1. <u>Decreases the rate</u> of the real estate transfer tax on the <u>first \$150,000 of value</u> of a <u>primary residence</u> to \$1.50 for each \$500 or fractional part of \$500 of the value, <u>and</u></p> <p>2. <u>Increases the tax rate on the value of a primary residence exceeding \$150,000 and on all other property</u> to \$2.50 for each \$500 or fractional part of \$500 of the value.</p> <p><u>At public hearing Rep. Kessler indicated he would be working with sponsor on an amendment.</u></p>			
428	1634			Tepler	An Act To Prevent Tax Haven Abuse	This bill requires corporations that file unitary income tax returns in Maine to include income from certain			

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						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 jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.								
435	1319	3/24		Picket	An Act To Provide a Sales and Use Tax Exemption for Certain Educational Collaboratives	This bill provides a <u>sales and use tax exemption</u> for an incorporated nonprofit collaborative whose members are <u>regional school units</u> and that is organized to <u>assist those units with professional development opportunities and services.</u>								
470	516			Davis	An Act To Allow a Veteran Who Was Member of the Military Reserves or Served in the National Guard To Qualify for the Veterans' Property Tax Exemption	This bill provides that persons who served on active duty in the National Guard or the Reserves of the United States Armed Forces are considered veterans eligible for veterans' property tax exemptions.	LVWD							
484	1853			Chipman	An Act To Change Maine's Tax Laws	This bill is a concept draft pursuant to Joint Rule 208. This bill would make specific changes to the laws governing taxation that are within the jurisdiction of the Joint Standing Committee on Taxation.								
495	1267	3/16		Osher	An Act To Improve Income Tax Progressivity by Establishing New Top Individual Income Tax Rates	<p>This bill increases the tax rate on the current top bracket under the individual income tax from 7.15% to 8.35% and adds a new bracket of 11.15% on taxable income exceeding \$100,000 for single individuals and married persons filing separately, \$150,000 for heads of household and \$200,000 for individuals filing married joint returns or surviving spouses.</p> <p><u>Current IIT bracket (single):</u>            Bracket amounts doubled for married joint; 1.5 for heads of household.</p> <table> <tr> <td>\$0 to \$21,049</td> <td>5.8%</td> </tr> <tr> <td>\$21,050 to \$49,999</td> <td>6.75%</td> </tr> <tr> <td>\$50,000 or more</td> <td>7.15%</td> </tr> </table> <p><u>Bracket amounts in bill:</u>            \$0 to \$21,049 5.8%</p>	\$0 to \$21,049	5.8%	\$21,050 to \$49,999	6.75%	\$50,000 or more	7.15%		MRS Preliminary estimates Not available at time of PH.
\$0 to \$21,049	5.8%													
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						<p>Link to <u>Tax Foundation list of corporate income tax rates for all states.</u>  <a href="https://taxfoundation.org/publications/state-corporate-income-tax-rates-and-brackets/">https://taxfoundation.org/publications/state-corporate-income-tax-rates-and-brackets/</a></p> <p>3/18 Tabled for further discussion</p>						
506	442	3/24		Berry	An Act To Reduce the Tax Burden on Low-income Electricity Customers	This bill provides a <u>sales and use tax exemption</u> for all <u>electricity consumed by residential customers participating in either a low-income assistance program or arrearage management program approved by the Maine PUC.</u> This exemption maximizes the value of the benefit from the subsidies provided to participants in these programs.						
527	1171			Vitelli	An Act To Exempt MaineCare Appendix C Private Nonmedical Institutions from the Service Provider Tax	This bill exempts from the service provider tax so-called MaineCare Appendix C private nonmedical institutions, which are residential care facilities maintained wholly or partly for the purpose of providing residents with medical and remedial services. The service provider tax continues to apply to private nonmedical institution services that are provided by MaineCare Appendix B, D, E or F private nonmedical institutions.						
532	1790	3/16		Baldacci	An Act To Lower Income Taxes for Middle-income Families in Maine	<p>This bill provides:</p> <p>1. <u>In income tax credit that reduces income taxes by 10% for:</u></p> <p>(A) individuals filing as <u>single individuals</u> and married persons filing separately with taxable income <u>under \$60,000</u>,</p> <p>(B) <u>heads of households</u> with taxable income <u>under \$90,000</u> and</p> <p>(C) individuals filing <u>married joint returns</u> and surviving spouses with taxable income <u>under \$120,000.</u></p> <p>2. New upper income tax bracket with tax rate of 7.95%.</p> <p><b>CURRENTLAW: IIT bracket (single):</b>  Bracket amounts doubled for married joint; 1.5 for heads of household.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">\$0 to \$21,049</td> <td style="text-align: right;">5.8%</td> </tr> <tr> <td>\$21,050 to \$49,999</td> <td style="text-align: right;">6.75%</td> </tr> </table>	\$0 to \$21,049	5.8%	\$21,050 to \$49,999	6.75%		<p>MRS preliminary estimates</p> <p>Admin costs: \$11,000</p> <p>Revenue impact: Not available at time of PH</p>
\$0 to \$21,049	5.8%											
\$21,050 to \$49,999	6.75%											



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						<p>\$50,000 or more 7.15%</p> <p>Bracket amounts in bill:</p> <p>\$0 to \$21,049 5.8%</p> <p>\$21,050 to \$49,999 6.75%</p> <p>\$50,000 to \$199,999 7.15%</p> <p>\$200,000 and over 7.95%</p>			
534	1848	3/18		Chipman	An Act To Allow Tax Abatements for Catastrophic Loss	<p>This bill <u>allows</u> municipal <u>assessors</u>, or the State Tax Assessor for property in the unorganized territory, <u>to abate the property taxes of real property that</u> :</p> <p><u>1. due to destruction by flood, fire, explosion or natural disaster</u></p> <p><u>2. occurring after 4/1 tax status date</u></p> <p><u>3. suffers at least a 50% decrease in just value to improvements on that real property.</u></p> <p><u>MRS has technical and potential constitutional concerns.</u></p>			
538	996	3/24		Miramant	An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax	<p>This bill provides a <u>sales and use tax exemption</u> for trailers that are <u>purchased in the State but then driven or transported outside the State immediately upon delivery</u>. The exemption excludes camper trailers, which are included in the definition of "trailer," since a similar exemption already exists for camper trailers, other than those that are being leased for a period of less than one year.</p>			
570	550	3/16		Berry	An Act To Provide for Fairness in the Taxation of Extraordinary and Unearned Income by Establishing a 3 Percent Surcharge on Net Capital Gains and Dividends Income over \$250,000 for Taxpayers Filing Single or Married Separate Returns and over \$500,000 for Taxpayers Filing Joint Returns	<p>This bill imposes an <u>3% income tax surcharge</u> on the portion of a taxpayer's taxable income that exceeds the <u>lesser of</u>:</p> <p><u>1. the taxpayer's taxable income from net capital gains and dividends</u> and</p> <p><u>2. the amount by which the taxpayer's taxable income exceeds</u></p> <p>A. \$250,000 (single)</p> <p>B. \$375,000 (heads of households) or</p> <p>C. \$500,000 (married joint)</p>			<p>MRS preliminary estimates</p> <p>Admin costs: \$11,000</p> <p>Revenue impact: Not available at time of PH</p>
576	1224			Jackson	An Act To Increase Property Tax Relief for Veterans	<p>This bill increases to \$10,000, beginning on or after April 1, 2022, the property tax exemption for all categories of eligible veterans other than paraplegic veterans receiving a \$50,000 exemption for specially adapted</p>			

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						housing units. 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.			
611	526	3/24		Rudnicki	An Act To Exempt Long-term Lodging from the 9 Percent Sales Tax on Lodging	This bill provides that the sales tax exemption for rental of certain living quarters applies to <u>individuals residing continuously in a tent or trailer space for 90 days or more in order to work during the summer season.</u>  Sponsor has indicated intention to propose amendment.			
647	517			Keim	An Act To Expand Eligibility for the Veterans' Property Tax Exemption	This bill allows persons who served in the Armed Forces of the United States during the period from February 1, 1955 to February 27, 1961 to qualify for the veterans' property tax exemption based on dates of service.			
659	1016			Tuell	An Act To Ease the Property Tax Burden by Authorizing Municipalities To Require Payments in Lieu of Taxes from Certain Exempt Organizations	This bill permits municipalities to adopt an ordinance to impose an impact fee on certain property that is exempt from property tax unless the owner of the property has entered into an agreement to make payments in lieu of taxes. An impact fee may not be imposed if the owner of the property has an annual budget of less than \$50,000.			
708	221			Faulkingham	An Act To Increase the Homestead Exemption to \$50,000	This bill increases the property tax exemption for homesteads from \$25,000 to \$50,000 for property tax years beginning on or after April 1, 2021.			
724	700			Ordway	An Act To Base the Vehicle and Mobile Home Excise Tax on Actual Value	This bill changes the method of computing the excise tax that is levied on motor vehicles, including commercial motor vehicles, buses and camper trailers, and mobile homes registered in the State.  With the exception of certain commercial motor vehicles and buses and special mobile equipment, current law requires that the excise tax be based upon the maker's list price for the motor vehicle or mobile home; the excise tax on certain commercial motor vehicles and buses and special mobile equipment is based on the purchase price. This bill requires that the excise tax for all motor vehicles, mobile homes and camper trailers be			

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						based upon the actual value of the vehicle or mobile home at the time of delivery to the owner, as determined by sources approved by the State Tax Assessor. Current law requires the State to reimburse a municipality for the difference in the amount of excise tax that would have been collected by the municipality on each commercial motor vehicle or bus using the manufacturer's suggested retail price instead of the actual purchase price. This bill applies that requirement to all vehicles registered and taxed by the municipality using the actual value.			
731	342	3/24		Stewart	An Act To Establish a Program To Assist Regional Firefighter Training Programs, To Provide Tax Credits to Businesses That Employ Volunteer Firefighters and Emergency Medical Services Persons and To Provide Benefits to Volunteer Firefighters and Emergency Medical Services Persons	This bill: 1. <u>Establishes a program</u> administered by the Maine Fire Protection Services Commission to <u>provide grants to municipalities for regional fire service training</u> . Appropriates \$1,000,000 per year. 2. Provides an income tax credit for employers who <u>permit employees who are volunteer firefighters or volunteer municipal EMS persons to be absent from work for firefighting or EMS response activities without a reduction in pay and</u> 3. <u>Allows a municipality to provide benefits to residents of the municipality who are volunteer firefighters or volunteer municipal EMS persons.</u>  Sponsor has indicated intent to propose an amendment.			
740	459			O'Connell	An Act To Provide Municipalities a Percentage of the Revenue Generated from the Taxes Imposed on the Sale of Recreational Marijuana in Those Municipalities	This bill requires the transfer of 25% of the revenue from the sales tax and the excise tax on adult use marijuana to a fund established by the bill to be distributed to municipalities where marijuana establishments are located in proportion to the ratio of the revenue generated in the municipality to the total revenue generated by adult use marijuana establishments statewide.			
798	334			Pouliot	An Act To Improve the Educational Opportunity Tax Credit	This bill makes the current income tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2022, and creates a new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2022. It provides that taxpayers who were eligible for a refundable credit under the credit for educational			

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						<p>opportunity may continue to receive a refundable credit for tax years beginning before January 1, 2024. 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 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, 2021. 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. Credits in excess of those that may be used during a taxable year may be carried over for the next succeeding 5 years. The bill also provides funds to market the Job Creation Through Educational Opportunity Program.</p>			
830	677			Perry	An Act To Restructure the Taxation of Adult Use Marijuana	This bill repeals the excise tax on adult use marijuana on January 1, 2022 and raises an estimated equivalent amount of revenue by increasing the sales tax on adult use marijuana and adult use marijuana products to 20% on January 1, 2022.			
871	160			Perry	An Act To Clarify Certain Provisions Regarding the Marijuana Excise Tax	This bill makes the following changes to the marijuana excise tax provisions. 1. It adds definitions of "wet marijuana			

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						flower" and "wet marijuana trim." 2. It removes the "per pound or fraction thereof" calculation of excise taxes for mature marijuana plants and, beginning July 1, 2021, provides an excise tax of \$35 per mature marijuana plant. 3. It requires a cultivation facility licensee to calculate the taxable weight by reducing the total weight of wet marijuana flower or wet marijuana trim			
897	1751			Warren	An Act To Protect Maine Veterans from Unfair Consequences of Taxation Policy	This bill is a concept draft pursuant to Joint Rule 208. This bill would protect Maine veterans from the unfair consequences of property taxation laws.			
950	1747			Bennett	An Act To Improve Maine's Economic Development Incentives	This bill provides that the Finance Authority of Maine may not issue a certificate of eligibility for a refundable seed capital tax credit to a private venture capital fund until after certificates have been issued for nonrefundable credits and only if the annual limit on certificates will not be exceeded. The bill also provides ongoing appropriations of \$500,000 annually to the Governor's Jobs Initiative Program to be used as matching funds for worker training or retraining in manufacturing industries.			
953	1463			Deschambault	An Act To Improve Affordable Housing Options and Services To Address Homelessness	This bill permits tax increment financing to be used by a municipality to cover costs associated with the development of affordable housing in and outside development districts, for the use in supporting housing services for persons who are homeless, for the purpose of providing an incentive for development within the municipality. The bill also corrects a conflict in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1, paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by incorporating the changes made by both laws.			
966	1153			Tepler	Resolve, Establishing the Commission To Study Fair, Equitable and Competitive Tax Policy for Maine's Working Families and Small Businesses	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, 2021, to submit a report, including suggested legislation, for presentation to the Second Regular Session of the 130th Legislature.			
970	1272			Connor	An Act To Base the Motor Vehicle Excise Tax on Actual Sale Price	This bill provides that, for a motor vehicle purchased after December 31, 2022, the motor vehicle excise tax must be based on the purchase price for the motor vehicle if purchased from a new vehicle dealer or a used car dealer. For other motor vehicles, the excise tax continues to be based on the maker's list price.			
973	928			Wood	An Act Regarding the Educational Opportunity Tax Credit	This bill allows a qualified individual receiving a credit under the Job Creation Through Educational Opportunity Program			

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						until April 1, 2021 to make payments on obligations for loans due in tax year 2020 and until December 1, 2021 for payments due in tax year 2021. For tax years beginning January 1, 2022, the bill allows prepayment prior to the due date on obligations for loans due that tax year and for qualified individuals to be able to make catch-up payments in the first 2 years of their participation in the program.			
1046	1706			Terry	An Act To Create an Income Tax Return Checkoff for Hunger Prevention	This bill requires the inclusion of a check-off provision on Maine income tax forms for taxpayers who wish to contribute to support the emergency food assistance program administered by the Department of Agriculture, Conservation and Forestry. It also establishes the Emergency Food Assistance Program Fund, to which revenue collected from the income tax checkoff is credited.			
1062	486			Cloutier	An Act To Phase Out the Insurance Premium Tax on Annuities	This bill phases out the insurance premium tax on annuity considerations over 10 years beginning in 2022 and provides that during the phase-out period the retaliatory tax on non-Maine insurance companies does not apply. 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, 2022.			
1067	679			Baldacci	An Act To Institute a State Tax Amnesty Program To Increase General Revenue Collections	<p>This bill, for the purposes of encouraging delinquent taxpayers to comply with the law, collecting unreported taxes and accelerating the collection of certain delinquent state tax liabilities, enacts the 2021 Maine Tax Amnesty Program. Under the program, a person with a tax delinquency as of September 30, 2021 may pay the taxes owed, plus half the accrued interest, without incurring any other criminal or civil liability. The period during which a delinquency may be paid under the 2021 Maine Tax Amnesty Program is from October 1, 2021 to December 31, 2021. The program is not available for debts for which the State has secured a warrant or civil judgment in the State's favor.</p> <p>From the effective date of this legislation until September 30, 2021, the State Tax Assessor is required to offer a delinquent taxpayer the same benefits of the 2021 Maine Tax Amnesty Program in order to avoid having a taxpayer wait until October 1, 2021 or later to pay the delinquent taxes.</p>			

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1071	332			Pouliot	An Act To Reduce Property Taxes for Maine Residents	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, 2021. This bill also increases state reimbursement to municipalities for homestead property tax exemptions from 70% to 100% for property tax years beginning on or after April 1, 2021.			
1118	910			Lawrence	An Act To Promote Reliable Rural High-speed Internet	This bill provides an income tax credit for high-speed Internet service providers who engage in a project approved by the Commissioner of Economic and Community Development that provides high-speed Internet service where the average number of potential customers per mile does not exceed 20 and the cost to the customers does not exceed the Consumer Price Index cost for high-speed Internet service in a metropolitan area.			
1129	228			Matlack	An Act Relating to the Valuation of Retail Sales Facilities	This bill provides that, in establishing the just value of retail sales facilities, consideration must be given to 3 recognized approaches to valuation of commercial property and that the assessor must consider the value of reasonably similar properties with regard to age, condition, use, type of construction, location, design, physical features and economic characteristics.			
1132	1418			Morales	An Act To Encourage the Renovation of Available Housing Stock	The purpose of this bill is to make available more affordable housing by allowing the clearing of title of tax-acquired abandoned property within a year of the acquisition rather than the existing wait of 5 years. This bill also directs the Maine State Housing Authority to develop a program to purchase tax-acquired properties that have been renovated and make them available for rent or for sale to first-time home buyers.			
1136	1500			Harnett	An Act To Promote Fairness in Income Tax Rates by Making Them More Progressive	This bill changes the individual income tax brackets to provide 4 brackets rather than 3. The bill adds a new bracket of 10.15% on taxable income exceeding \$100,000 for single individuals and married persons filing separately, \$150,000 for heads of households and \$200,000 for individuals filing married joint returns and surviving spouses.			

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1140	274			Corey	An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices	This bill establishes a sales tax exemption for a safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms.			
1145	1313			Warren	An Act To Eliminate the State Income Tax on Maine Public Employees Retirement System Pensions	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 an income tax exemption for those retirement benefits.			
1156	1378			Arata	An Act To Reduce Errors in Employment Tax Increment Financing Benefits	This bill improves the employment tax increment financing program for calendar years beginning with 2022 by basing benefits on the gross wages of qualified employees rather than on income tax withholding for those employees. The bill directs the Commissioner of Economic and Community Development and the State Tax Assessor to take actions, including the adoption of routine technical rules, to implement the change.			
1162	310			Cebra	An Act To Dedicate a Percentage of the Sales and Use Tax on Motor Vehicles and Motor Vehicle Parts to the Highway Fund	This bill provides that 20% of the sales or use tax on motor vehicles and motor vehicle parts must be transferred to the Highway Fund beginning in 2022.			
1166	1844			Dodge	An Act To Increase the Property Tax Exemption for Veterans by 50 Percent	This bill increases by 50%, for tax years beginning on or after April 1, 2022, the property tax exemption for all categories of eligible veterans other than paraplegic veterans receiving a \$50,000 exemption for specially adapted housing units.			
1174	698			Ordway	An Act To Allow Municipalities To Send Separate Tax Bills for Municipal, County and School Taxes	This bill permits municipalities to issue separate bills for the portion of their tax commitments attributable to education funding and the portion attributable to county taxes and all other municipal costs.			
1181	1541			Wadsworth	An Act To Reduce Property Taxes on the Primary Residence of Veterans Who Are 100 Percent Disabled Due to Service-connected Disabilities	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to reduce property taxes on the primary residence of veterans who are 100% disabled due to service-connected disabilities.			
1184	1067			Wadsworth	An Act To Exempt from Taxation Certain Out-of-state Pensions	This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income. The exemption is only			



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						<p>for the amount of the contribution made by the taxpayer divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction.</p> <p>In order to qualify for the exemption, the contribution must have been made using income on which income tax was paid and is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine.</p>			
1185	675			Perry	An Act To Distribute Tax Revenue To Offset Costs Incurred by Adult Use Marijuana Host Municipalities	<p>This bill establishes the Local Government Marijuana Revenue Fund and requires the transfer to the fund of 12% of revenue from the sales tax on adult use marijuana and adult use marijuana products and the marijuana excise tax. The fund must be distributed to a municipality where marijuana establishments are operating in proportion to the ratio of revenues generated by the sales and excise taxes on adult use marijuana and adult use marijuana products within the municipality to the revenues generated by all marijuana establishments operating in the State.</p>			
1193	1117			Brooks	An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax	<p>This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.</p>			
1195	800			Roberts	An Act To Increase Funding to Qualifying Municipalities by Sharing Adult Use Marijuana Sales and Excise Tax Revenue	<p>This bill allocates 5% 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.</p>			
1203	885			Fay	An Act To Amend the Application of the Excise Tax on Noncommercial Watercraft Temporarily in the State	<p>This bill reduces from 75 days to 28 days the length of time certain noncommercial vessels may be in Maine without being subject to the watercraft excise tax.</p>			
1209	2011			Terry	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2021-22	<p>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.</p>			

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								FY22	FY23
1216	494			Terry	An Act To Amend the State Tax Laws	<p>Part A makes changes to the insurance premiums and income tax law. Part A:</p> <ol style="list-style-type: none"> <li>1. Changes the due dates for community colleges, colleges and universities, Department of Education and Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy reports on the implementation of the educational opportunity tax credit from February 1, 2021, for the colleges, and March 1, 2021, for the Department of Education and Office of Tax Policy, to February 1, 2022;</li> <li>2. Repeals the requirement that remaining funds in the Medical Use of Marijuana Fund be used to fund the cost of the tax deductions provided pursuant to the Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph PP and Title 36, section 5200-A, subsection 2, paragraph BB and the cost of the position in the Department of Administrative and Financial Services, Bureau of Revenue Services to administer the tax deductions;</li> <li>3. Expands the so-called Maine insurance premiums retaliatory tax to include insurance companies incorporated in the District of Columbia or a possession of the United States;</li> <li>4. Clarifies that the Maine reporting and tax payment requirements related to federal partnership adjustments under the new federal centralized partnership audit rules includes negative federal adjustments arising from Internal Revenue Service partnership audits and administrative adjustment requests filed with the Internal Revenue Service, and amends the requirements to allow a refund directly to the partnership in lieu of a refund to the affected partners to the extent that negative adjustments exceed positive adjustments;</li> <li>5. Clarifies that the Maine reporting and tax payment requirements related to federal partnership adjustments under the new federal partnership audit rules also apply to a partnership that has filed an administrative adjustment request with the federal Internal Revenue Service;</li> <li>6. Establishes a penalty for persons who fail to provide returns of information to the State Tax Assessor or who willfully furnish to the assessor a false or fraudulent return of information. Generally, returns of information consist of Forms W-2, Forms 1099 and</li> </ol>			

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						<p>other similar forms containing tax information necessary for filing Maine tax returns. Similar to the penalty imposed for failure to provide information statements, or for willfully providing a false or fraudulent statement to payees, the penalty is \$50 for each failure to provide a return of information to the State Tax Assessor. The penalty applies to returns of information required to be filed on or after January 31, 2022;</p> <p>7. Makes the following changes to the renewable chemicals tax credits:</p> <p>A. Adds taxpayer information reporting and 3rd-party testing and verification credit requirements, to be specified by rules of the State Tax Assessor;</p> <p>B. Clarifies that the renewable chemicals may not be sold as food, feed or fuel and that they must be produced in Maine; and</p> <p>C. Modifies the February 1, 2024 report on the renewable chemicals tax credit issued by the Department of Economic and Community Development to remove required reporting on the number of indirect jobs created and to include reporting on the newly reinstated credit for biofuel commercial production and commercial use under Title 36, section 5219-X.</p> <p>Part B makes changes to the sales tax law, applicable to sales occurring on or after January 1, 2022. Part B:</p> <p>1. Clarifies that the Title 36, Part 3 definition of "in this State" includes sales of tangible personal property and taxable services sourced in this State pursuant to Title 36, section 1819;</p> <p>2. Repeals the presumptive sales and use tax registrations requirements for affiliate-based and certain agent-based connections with the State;</p> <p>3. Corrects a conflict created when 2 different public laws enacted the same section of law and:</p> <p>A. Clarifies that the remote seller and marketplace registration requirements apply based on sales in this State and not the location from which they are delivered;</p> <p>B. Repeals the remote seller and marketplace facilitator sales and use tax registration requirement for persons or marketplace facilitators, respectively, with at least 200 separate sales transactions in the State; and</p>			

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						<p>C. Clarifies the agent, representative, salesperson, solicitor or distributor registration requirements by removing the redundant term "storage"; and</p> <p>4. Expands the sales and use tax sourcing provision to apply to all sales and not just retail sales. Part C makes changes to the property tax law.</p> <p>Part C:</p> <p>1. Lowers the declared ratio accuracy threshold from within 20% to within 10% of the state valuation ratio last determined to align with the accuracy requirement provided for state reimbursement for the homestead exemption; and</p> <p>2. Updates and aligns the audit authority for exemptions that are reimbursed by the State to municipalities, allowing for the audit of all reimbursable exemptions.</p> <p>Part D makes the following updates to respond to certain COVID-19 impacts and is effective when approved. Part D:</p> <p>1. Aligns the Title 36 definitions of "disaster period" with the Title 10, section 9902 definition;</p> <p>2. Relaxes the "work in Maine" requirement of the educational opportunity tax credit by deeming a qualified individual who worked in this State immediately prior to, or at any point during, the state of emergency declared by the Governor due to the COVID-19 pandemic to have worked in this State for the entire state of emergency;</p> <p>3. Relaxes the primary use requirement of the sales tax exemption for machinery and equipment by determining the equipment's primary use based only on the days in use; and</p> <p>4. Allows taxpayers to use the sourcing law of another jurisdiction when calculating the credit for income tax paid to other jurisdictions in certain COVID-19 pandemic-related teleworking circumstances.</p> <p>Part E 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</p>			

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						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 Title 36, chapter 821. The thresholds apply to tax years beginning on or after January 1, 2022. Part F 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, 2021.			
1222	246			Black	An Act To Reduce Property Taxes of Seniors in an Amount Equal to the Cost of Education	This bill provides a property tax exemption for individuals 65 years of age or older equal in value to the amount of those taxes the municipality in which the real estate is located would otherwise use to fund its public schools. The bill applies to property tax years beginning on or after April 1, 2021.			
1227	1268			Dodge	An Act To Provide Equity in the State Income Tax Deduction for Certain Public Employees Retirement System Pensions	This bill establishes an income tax exemption for taxpayers who receive civil service retirement plan benefits who do not participate in the federal Social Security program in recognition of the fact that the current law provides an income tax exemption for all Social Security benefits in addition to a \$10,000 pension exemption for retirement plan benefits. The bill phases in greater parity in the treatment of the 2 types of pension systems by increasing the civil service pension deduction amount by \$5,000 per year until 2025 when it reaches the maximum annual benefit that an individual retiring at retirement age would receive under the federal Social Security Act.			
1243	818			Sampson	An Act To Exempt from Taxation Out-of-state Pensions	This bill exempts from Maine income tax the portion of retirement benefits attributable to a taxpayer's contribution to an employee retirement plan or an individual retirement account the taxpayer contributed to while the resident of another jurisdiction if those benefits are included in federal adjusted gross income.			
1247	755			Dill	An Act To Place a Moratorium on Property Revaluations for Tax	This bill requires a municipality or state department or agency to temporarily halt a property revaluation required by state law during a state of emergency and			

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					Purposes during a State of Emergency	to resume the revaluation upon the termination of the emergency.			
1251	1373			Arata	An Act To Encourage Charitable Giving	This bill allows an individual to claim, beginning with taxable years beginning on or after January 1, 2021, itemized deductions from Maine adjusted gross income for individual income tax purposes for charitable contributions that exceed the State's limit on itemized deductions.			
1257	752			Lookner	An Act To Encourage Inclusionary Zoning in Municipalities by Increasing Revenue Sharing	This bill creates an additional level of state-municipal revenue sharing to provide additional resources to municipalities with inclusionary zoning to increase the availability of affordable housing.			