

TAXATION COMMITTEE

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2nd REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
1629	2290	1/25/18		Espling	An Act To Protect the Elderly from Tax Lien Foreclosures	<p>Governor's bill This bill creates a <u>preforeclosure process</u> that municipalities must follow in order to successfully foreclose a tax lien on <u>property owned by a person who is 65 years of age or older.</u></p> <p>The preforeclosure process includes (appears to apply to property other than residence):</p> <ol style="list-style-type: none"> 1. <u>active municipal assistance with an abatement application</u> and 2. <u>mediation</u> if necessary to create a reasonable tax payment plan. <p>This bill also creates <u>additional provisions</u> concerning the sale of foreclosed including:</p> <ol style="list-style-type: none"> 1. Municipality may not sell the property unless the lien exceeds 50% of assessed value; 2. allowing a homeowner to pay the tax lien with interest and costs before a tax sale; 3. allowing a homeowner to remain in the home until the sale is completed; 4. requiring the use of a real estate broker when the property is sold; and 5. requiring the return to the homeowner of any net proceeds from the sale after adjustment for taxes owed, interest, fees and other allowable costs. <p><u>This bill was carried over from the 1st Regular Session. No public hearing was held at that time.</u></p>			
1660	2769	1/25		Hilliard	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the	<p>DAFS bill: This resolve authorizes the State Tax Assessor to convey the interest of the State in 34 parcels of real</p>			

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

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					Unorganized Territory	estate in the Unorganized Territory that were acquired by the State through foreclosure for nonpayment of property tax.			
1669	2459	1/25		Fecteau	An Act Regarding Levies Placed on Accounts at Financial Institutions for Unpaid State Income Taxes	This bill requires a financial institution, in a case in which a delinquent taxpayer's accounts have been levied for unpaid state income taxes to satisfy the levy in the following order 1. first from accounts held solely by the delinquent taxpayer, 2. next from accounts held jointly by the delinquent taxpayer and the delinquent taxpayer's spouse and 3. last from accounts held jointly by the delinquent taxpayer and a 3 rd party.			
1680	2691	1/22		Bailey	An Act To Create an Access to Justice Income Tax Credit	This bill provides an <u>income tax credit for 5 years for attorneys who begin the practice of law in the State and agree to practice for at least 5 years in an underserved area of the State as determined by the Board of Overseers of the Bar.</u> Eligibility for the credit is open <u>from 2019 through 2024. The board may certify up to 5 eligible attorneys each year.</u> The Taxation committee is directed to review the effectiveness of the credit and may submit legislation to extend or revise it. <u>This credit is designed in the same manner as existing credits for dentists and primary care medical providers who agree to practice in underserved areas..</u>			
1687	2509	1/25		Dill	An Act To Amend the Laws Governing the Calculation of Excise Tax on Automobiles	This bill changes the method of computing the motor vehicle excise tax that is levied on motor vehicles and camper trailers registered in the State. <u>Current law:</u> With the exception of certain commercial motor vehicles and buses and special mobile equipment, the excise tax be based upon the <u>maker's list price</u> for the motor vehicle. <u>This bill</u> requires that the excise tax on motor vehicles and camper trailers			

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						<p>1. <u>in the first or current year of model be based on the purchase price</u> of the vehicle and</p> <p>2. <u>in subsequent years be based on</u> on the <u>maker's list price.</u></p> <p>Either the original bill of sale or the state sales tax document may be used to verify the purchase price.</p>			
1721	2490	1/16	1/23	Hilliard	An Act To Require Room Remarketers and Operators of Transient Rental Platforms To Be Registered for the Collection and Reporting of Sales Taxes	<p>This bill requires operators of transient rental platforms (like AirBnB, VRBO, HomeAway, etc) to register to collect and report sales taxes to include online real property rental platforms.</p> <p>The bill adds definitions for "room remarketer" and "transient rental platform," and the definition for "sale price" is amended to include as consideration receipts by room remarketers and transient rental platform operators.</p> <p>The changes apply to sales occurring on or after October 1, 2018.</p> <p><u>This provision (with minor differences) was included in the Governor's biennial budget submission in 2017 but was not enacted. TAX Committee recommended inclusion 13-0.</u></p> <p><u>Several comments at PH recommended including motor vehicle rentals.</u></p> <p>1/23 New language from MRS <u>Tabled</u> for further research and understanding</p>	Tabled		
1722	2711	1/16		Stanley	An Act To Encourage Computer Data Center Development by Providing a Sales Tax Refund or Exemption	<p>This bill provides a sales tax refund or exemption <u>for sale of the following items to a qualified business:</u></p> <ol style="list-style-type: none"> 1. The purchase of eligible server equipment, 2. eligible power infrastructure and 3. electronic data storage and 4. data management services <p>A <u>qualifying business</u> is a business</p> <ol style="list-style-type: none"> 1. <u>Primarily engaged in commercial activity for profit</u> 2. That is the owner or lessee of an <u>eligible computer data center</u> at least 20,000 square feet 	Tabled		

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						<p>dedicated to housing working servers.</p> <p>3. That certifies that if will <u>add at least 20 full-time jobs</u> with above-average wages for the county in which the job is located within 6 years after the business first becomes eligible.</p> <p>4. Quaified business must begin operation between October 1, 2018 and October 1, 2021.</p> <p>The amount of refund or exemption plus interest will be <u>recaptured</u> by the State if the business does not add the required number of jobs in the required period. State.</p> <p>Bill does not specify what agency will determine which businesses are eligible or whether requirements have been met to avoid recapture.</p> <p>1/23 <u>Tabled</u> for LCRED report on PTDZ bill (LD 1654) And further research on data centers.</p>			
1723	2598	1/22		Herbig	An Act To Expand Job Opportunities for People Working in Maine	<p>Concept draft</p> <p>This bill proposes to expand job opportunities for people working in this State.</p>			
1734	2587	1/16	1/23	Thibodeau	An Act To Clarify the Sales Tax Exemption for Vehicles Used in Interstate or Foreign Commerce	<p>Current law requires that, in order for vehicles to be eligible for the exemption for instrumentalities of interstate or foreign commerce, the property must be used in interstate or foreign commerce at least 80% of the time for the first 2 years after the property is placed in service.</p> <p>This bill provides that for purposes of calculating the 80% threshold, a vehicle will be considered to be used in interstate or foreign commerce when the <u>property is waiting to be loaded or unloaded or is being repaired or maintained</u> is considered to be placed in use in interstate or foreign commerce as long as the intended next use of that property is interstate or foreign commerce.</p> <p>This bill provides that a trailer being <u>used by an entity other than the owner</u> is eligible for the exemption <u>as long as there is a written transportation agreement</u></p>			

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						<p><u>between the owner and the other entity.</u></p> <p>This bill provides a <u>definition of "interstate or foreign commerce"</u> that is the same as the definition of "interstate commerce" in the Federal Motor Carrier Safety Regulations.</p> <p>This bill also specifies the bill <u>applies to any ongoing audit or investigation being conducted by MRS that is not final by the effective date of the bill.</u></p> <p><u>MRS indicated at PH that it was working on improvements</u></p> <p><u>1/23 Tabled for forthcoming language.</u></p>			
1744	2658	1/22		Jackson	An Act To Create the Hire American Tax Credit for Businesses That Hire Residents of the United States	<p>Concept draft</p> <p>This bill proposes to encourage the employment of Maine residents who are in the logging industry by providing a tax credit to businesses located in the United States that employ Maine residents who are engaged in logging and trucking in Maine.</p>			
1755	2814	1/16	1/23	Herbig	An Act To Provide a Sales Tax Exemption for Nonprofit Heating Assistance Organizations	<p>This bill provides a sales tax exemption to incorporated nonprofit organizations whose purpose is to provide residential heating assistance to low-income individuals.</p> <p><u>Needs effective date.</u></p>	OTPA		
1758	2478	1/22		Fredette	An Act To Strengthen Maine Families with Children by Changing the Income Tax Laws	<p>This bill</p> <p>1. <u>Doubles the amount of the earned income tax credit a taxpayer may claim to 10% of the federal earned income credit;</u> and</p> <p>2. <u>Enacts a new child tax credit to allow a taxpayer a credit in an amount equal to the federal child tax credit, which in pre-federal reform is an amount up to \$1,000 for each qualifying child the taxpayer supports during the tax year. A portion may be refundable (complicated formula). Credit phases out for upper income families. The proposed state credit is refundable only to the extent that the federal additional child tax credit is</u></p>			

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						refundable and only for individuals filing as residents or part-year residents. 2017 federal tax reform: 1. Makes no changes to earned income tax credit 2. Increases child tax credit to \$2,000 with up to \$1,400 refundable. SSN must be provided. These increases end with 2025 tax years.			
1765	2635			Parry	An Act To Provide a Source of Revenue To Preserve the Integrity of Maine's Transportation Infrastructure	This bill diverts 10% of the sales tax revenue on the sale of motor vehicles and motor vehicle-related items from the General Fund to the Highway Fund and 2% of that revenue from the General Fund to the Multimodal Transportation Fund.			
1781	2789			DeCHANT	An Act To Encourage New Major Investments in Shipbuilding Facilities and the Preservation of Jobs	For tax years beginning on or after January 1, 2020 and continuing for the next 19 years, this bill provides a tax incentive for major investments in a shipbuilding facility and the preservation of jobs at that shipbuilding facility by allowing the shipbuilding facility an annual income tax credit equal to 3% of the shipbuilding facility's total qualified investment, as long as certain employment levels are maintained. In order to qualify for the credit, the shipbuilding facility must make expenditures after January 1, 2018 of at least \$100,000,000 that are related to the construction, improvement, modernization or expansion of the shipbuilding facility and maintain at least 5,000 employees. If the shipbuilding facility employs at least 5,250 employees, the facility is entitled to an amount equal to 110% of the credit. The facility may employ fewer than 5,000 employees in 2 separate years within the 20-year period and still qualify for the credit, but at a prorated reduction. The purpose of this bill is to encourage major investments in shipbuilding facilities in this State, to ensure the long-term survival of the shipbuilding industry, to preserve numerous opportunities for jobs for the people of this State and to make the State more competitive in the shipbuilding industry and thus ensure the preservation and betterment of the economy of the State for the benefit of its people.			
1796	2833			Tipping	An Act To Improve the Effectiveness of the New Markets Capital	This bill implements the recommendation of the tax expenditure report of the Joint Standing Committee			

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					Investment Credit	on Taxation and the evaluation report of the Office of Program Evaluation and Government Accountability with regard to the new markets capital investment credit by excluding from the definition of "qualified low-income community investment" a capital or equity investment if more than 5% of the investment is used to refinance costs, expenses or investments incurred or paid by the qualified active low-income community business or a party related to the qualified active low-income community business prior to the date of the qualified low-income community investment; make equity distributions from the qualified active low-income community business to its owners; acquire an existing business or enterprise in the State; or pay transaction fees. This bill excludes from the tax credit investments that are used to cover payments referred to as "same-day loans."			
1805	2771			Dow	An Act To Amend the Maine Tax Laws	<p>This bill does the following:</p> <p>Part A expands the provision for sellers required to register to collect and report sales taxes to include online real property rental platforms and those engaged in the facilitation of the rental of living quarters. Definitions for "room remarketer," "transient rental platform" and "facilitation of the rental of living quarters" are added. The definition of "sale price" is amended to include as consideration receipts by room remarketers and transient rental platform operators. The definition of "taxable service" is amended to include facilitation of the rental of living quarters in a hotel, rooming house or tourist or trailer camp. It restructures and reorganizes the section of law specifying the rate of sales tax. The clarification regarding the registration requirements for the rental of living quarters takes effect 90 days after adjournment of the Second Regular Session of the 128th Legislature. The changes apply to sales occurring on or after October 1, 2018;</p> <p>Part B:</p> <p>1. Limits insurance premium tax refunds to the amount of tax paid within the 3-year period immediately preceding the filing of a refund claim or audit. The provision is similar to that provided with respect to income tax refund claims; and</p>			

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						<p>2. Prohibits the payment of interest on an overpayment of insurance premiums tax if the overpayment is refunded by the State Tax Assessor within 60 days of the taxpayer's filing of the claim with Maine Revenue Services. The provision is similar to that provided with respect to income tax refund claims;</p> <p>Part C:</p> <p>1. Allows the subtraction of pick-up contributions distributed to the taxpayer by the Maine Public Employees Retirement System in the form of a rollover from taxable income within 3 years beginning with the year of the rollover. The change applies to tax years beginning on or after January 1, 2018; and</p> <p>2. Makes the credit for homestead modifications available in the tax year during which the certification of eligibility is made. Current law ties the credit to the year during which the qualified expenditures are paid, but the credit may be claimed only once the Maine State Housing Authority certifies to the State Tax Assessor that the expenditures incurred qualify for the credit. The change applies to tax years beginning on or after January 1, 2018;</p> <p>Part D makes the following changes to the tax credit for major business headquarters expansions. It:</p> <p>1. Clarifies that the information regarding revenue loss attributable to the tax credit reported by the State Tax Assessor to the joint standing committee of the Legislature having jurisdiction over taxation matters is not confidential taxpayer information. It also corrects a numbering conflict created when 2 public laws enacted the Maine Revised Statutes, Title 36, section 191, subsection 2, paragraph DDD;</p> <p>2. Clarifies that a revocation of a certificate of approval or a certificate of completion due to ceasing operations of the headquarters also applies to a certificate held by a transferee;</p> <p>3. Clarifies that the credit is available only to a certified applicant who has received a certificate of completion;</p> <p>4. Clarifies that the required job threshold</p>			

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						<p>calculation includes the tax year for which the credit is currently being claimed, in addition to the tax years for which the credit has been claimed;</p> <p>5. Clarifies that the amount recovered by the State when a certificate is revoked is a tax due in the taxable year during which the certificate is revoked and is subject to the collection and enforcement provisions contained in Title 36, Part 1, including the application of applicable interest and penalties;</p> <p>6. Provides that, when determining the number of employees for eligibility for the credit, employees who are shifted to a qualified applicant's headquarters from an affiliated business in the State are not counted;</p> <p>7. Removes the requirement that the Commissioner of Economic and Community Development report to the joint standing committee of the Legislature having jurisdiction over taxation matters aggregate data on employment levels and qualified investment amounts of certified applicants for each year;</p> <p>8. Delays the State Tax Assessor's yearly reporting requirement until December 31st and clarifies that the report is for the tax year ending during the immediately preceding calendar year;</p> <p>9. Defines the term "revenue loss" for the purposes of the State Tax Assessor's yearly reporting requirement and the confidentiality exception applying to the report; and</p> <p>10. Adds rule-making authority for the commissioner and the State Tax Assessor;</p> <p>Part E clarifies that the amount of sales tax revenue transferred to the Multimodal Transportation Fund is calculated after a reduction for the amount transferred to the Local Government Fund is made;</p> <p>Part F aligns certain parts of the Unorganized Territory Educational and Services Tax lien foreclosure process with the municipal tax lien foreclosure process retroactively to October 1, 1935. It:</p> <p>1. Authorizes the State Tax Assessor to issue a discharge of a tax lien mortgage on real estate after the</p>			

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						<p>prior owner's right of redemption has expired, unless the State has conveyed any interest based upon the title acquired from the affected lien;</p> <p>2. Allows the State Tax Assessor to not perform certain inventory and reporting procedures with respect to real estate that is a permanent residence that has been acquired by the State through the tax lien foreclosure process; and</p> <p>3. Authorizes the State Tax Assessor to convey real estate acquired by the State through the tax lien foreclosure process to the prior owner without further legislative authorization if the tax due on the real estate has been satisfied; and</p> <p>Part G makes a technical clarification by repealing the provision regarding the new markets capital investment credit requiring the Commissioner of Administrative and Financial Services to enter into a memorandum of agreement. The memorandum is a nonbinding document with no substantive legal effect.</p>			