

TAXATION COMMITTEE

jsj 2/28/2017 10:03 AM

1ST 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
16	515			Foley	An Act To Exempt Certain Individuals Who Are 70 Years of Age or Older from Maine Income Tax	Provides a 100% income tax exemption for a retired individual who is 70 years of age or older.			
26	601			Cebra	An Act To Lower the Maine Motor Vehicle Excise Tax	This bill reduces motor vehicle excise tax mill rates by 10% each year beginning with 2018 registration years until the rates reach 50% of the current rates in 2022 and subsequent years.			
27	503	2/1	2/15	Turner	An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax	This bill provides a sales tax exemption to parent-teacher organizations organized as public benefit corporations. "Public benefit corporation" is defined in nonprofit corporation law, 13-B MRSA §1406. See statute. MRS -- NFNA	tabled	(<\$50,000)	
72	891	2/15		Pouliot	An Act To Clarify the Tax Laws for Title to Real Estate by Releasing Inheritance Tax Liens	This bill releases a lien on real property for inheritance tax resulting from a death occurring before July 1, 1986, when the inheritance tax was replaced by the estate tax.			
73	473			Mastraccio	An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age	This bill raises the homestead property tax exemption to \$50,000 for persons who are 75 years of age or older and claimed the homestead as a permanent residence for 10 or more years. The bill requires the State to reimburse municipalities for 100% of the property taxes lost as a result of the increase in the exemption.			
74	474			Mastraccio	An Act To Realign the State-Municipal Revenue Sharing Distribution	Concept draft: The bill proposes to realign the percentage of revenue from the sales and use taxes, the service provider tax			

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

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
						and the income taxes that is transferred monthly from the General Fund to the Local Government Fund under state-municipal revenue sharing.			
75	1099	2/1	2/15	Spear	An Act To Provide a Sales Tax Exemption for Materials and Equipment That Enable Older Persons and Persons with Disabilities To Remain in Their Homes	This bill provides a <u>sales tax</u> exemption for <u>materials and equipment</u> determined by the Maine State Housing Authority <u>to enable homestead accessibility</u> for an individual who is <u>75 years of age or older</u> or an individual with a disability or physical hardship to permit the individual to remain in the individual's home. 36 MRSA §5219-NN provides income tax credit for similar expenditures. See statute. MRS – opposes – complexity/difficult to administer	ONTP	(<\$100,000)	
76	133	2/1	2/15	Tepler	An Act To Exempt Diapering Products from the Sales Tax	This bill provides a sales tax exemption for disposable and reusable diapers for children, diaper covers and wraps that are used with reusable diapers an diaper pins. MRS opposes – inefficient/target to benefit those most in need. Better to use sales tax fairness credit.	tabled	(\$3,000,000+)	
77	79	2/15		Espling	An Act To Exempt from Maine Income Tax Income Earned by Members of the Armed Services While on Active Duty	This bill provides an income tax exemption for military compensation for active duty service by members of the armed forces of the United States when that service is performed within the State. Military compensation for service performed outside of the State by a service member whose permanent duty station is outside the State is currently exempt from taxation.			
79	552	2/1	2/15	Langley	An Act To Provide a Sales Tax Exemption for Career and Technical Student Organizations	This bill provides a sales tax exemption to nonprofit career and technical education student organizations recognized by the Department of Education. MRS -- NFNA	OTPA	(<\$20,000)	
82	344	3/1		Diamond	An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax	This bill provides a complete property tax exemption in the municipality of residence for a veteran receiving benefits based on a rating of 100% for a service-connected disability.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
91	1189	2/27		Davis	An Act To Provide an Income Tax Credit for Retailers Collecting Sales Tax	This bill provides an income tax credit of \$100 for retailers who collect, report and remit to the State more than \$1,000 in sales tax during the tax year.			
116	119	3/6		Golden	An Act To Increase Funding for Multimodal Transportation	This bill increases the sales tax on short-term rentals of automobiles, small trucks and vans from 10% to 15% to provide funding for multimodal transportation. The increase takes effect October 1, 2017.			
117	1086	3/1		Alley	An Act To Strengthen the Farm and Open Space Tax Law	This bill provides that a landowner with acreage classified under the farm and open space tax law who wishes to add contiguous acreage to a previously classified acreage must demonstrate to the assessor that the additional acreage separately meets the definition of "farmland" that is eligible for classification.			
133	620			Bellows	An Act To Support Lower Property Taxes by Restoring State-Municipal Revenue Sharing	Current law reduces the amount transferred to the Local Government Fund for state-municipal revenue sharing from 5% to 2% for fiscal years 2015-16, 2016-17, 2017-18 and 2018-19. This bill gradually restores the percentage transferred for state-municipal revenue sharing by increasing the percentage transferred to the Local Government Fund to 3% for fiscal year 2017-18 and to 4% for fiscal year 2018-19. Following fiscal year 2018-19, the percentage of state-municipal revenue sharing is scheduled to return to 5%.			
204	274	3/1		Daughtry	An Act To Exempt Veterans with ALS from the Excise Tax on Automobiles	This bill exempts from excise tax an automobile owned by a veteran who has been diagnosed with amyotrophic lateral sclerosis.			
205	1280	2/15		Ordway	An Act To Exempt Certain International Athletic Competition Prizes from Maine Income Tax	This bill provides an income tax exemption for prizes awarded as the result of competition in certain international athletic contests.			
206	9	3/6		Campbell	An Act To Exempt Feminine Hygiene Products from Sales Tax	This bill provides a sales tax exemption on the purchase of feminine hygiene products.			
235	140	2/15		Brakey	An Act To Repeal the Service Provider Tax	This bill repeals the service provider tax effective October 1, 2017.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
289	185	3/1		Stanley	An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty	Current law provides a property tax exemption to a veteran of the Armed Forces of the United States but only if the veteran served during a federally recognized war period and is at least 62 years of age or was disabled during active military service. The amount of the exemption varies depending on when the veteran served and whether the veteran is a paraplegic. This bill removes the requirement that the veteran must have served during a federally recognized war period, making the exemption available to all veterans of the Armed Forces of the United States who are 62 years of age or older or have qualifying disabilities. This bill does not change the amounts of the exemption or the other qualifying conditions.			
290	901			Chace	An Act To Phase Out the Insurance Premium Tax on Annuities	This bill phases out the insurance premium tax on annuity considerations over 4 years beginning in 2018. Annuity considerations are no longer subject to insurance premium tax beginning in 2021.			
291	318			Campbell	An Act To Maintain the Income Tax Rate on Persons with Taxable Income above \$200,000	This bill decreases the rate of tax imposed on the income of resident individuals on income in excess of \$200,000 from 7.15% to 4.15%.			
311	1897	2/27		Brakey	An Act To Eliminate Corporate Welfare and Provide Tax Relief	<u>Concept draft:</u> This bill proposes to eliminate certain corporate tax expenditures and use the savings to reduce individual income tax rates.			
330	988	2/27		Kornfield	An Act To Provide and Income Tax Credit for Employer Contributions to Section 529 Qualified Tuition Programs	This bill provides an income tax credit for tax years beginning on or after 1/1/18 to an employer that makes matching contributions on behalf of an employee to a qualified tuition program, sometimes referred to as a college savings program, established by the employee under Section 529 of the federal Internal Revenue Code. The credit is equal to 50% of matching contributions up to \$1,000 per year. The credit is not refundable but may be carried forward up to 15 years.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
337	800			Stetkis	An Act To Protect Jobs and the Maine Economy by Eliminating the 3% Income Tax Surcharge imposed on Certain Mainers and the Fund To Advance Public Kindergarten to Grade 12 Education	This bill repeals the provisions establishing the Fund to Advance Public Kindergarten to Grade 12 Education and the income tax surcharge of 3% imposed on taxable income of \$200,000 or more, which is the source of revenue for the fund.			
338	870	3/1		McLean	An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax	This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.			
368	1676	2/27		Guerin	An Act To Welcome Statewide Economic Investment	<p><u>Concept draft:</u> This bill proposes to provide incentives for statewide economic investment to businesses whose income is currently taxed at lower rates due to offshore investment of that income. This bill would offset federal taxes paid on repatriated income with state and local property tax, income tax and employment tax reductions. The offset of real estate, personal, property and employment taxes would be reduced over a 10-year period by an amount equal to federal taxes paid at an assumed tax rate of 10%.</p> <p>The offset would be allowed for capital invested in or dedicated to, without limitation, business expansion, including construction and site development and new equipment purchases; historic property or brownfield redevelopment and relocation, subject to state and municipal oversight; and new job creation or job retraining for any jobs the investment causes to be displaced. A business qualifying for the incentives would be required to commit to fulfilling the terms of an incentive plan for a period of time double to that of the length of time the incentives are provided.</p>			
442	918	2/27		Davis	An Act To Create a Family Caregiver Income Tax Credit	<p>This bill provides an income tax credit of up to \$2,500 for certain uncompensated <u>eligible expenditures</u> incurred by a <u>family caregiver</u> for the care and support of an <u>eligible family member</u> 18 years of age or older.</p> <p><u>Eligible expenditures</u> include the improvement of or alternation to the caregiver's primary residence to permit the eligible family member to remain mobile, safe and independent in the home and community; the caregiver's purchase or lease of equipment necessary to assist the eligible family member in carrying out one</p>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
						<p>or more activities of daily living; and cost incurred to assist the caregiver to provide care to an eligible family member, such as expenditures related to hiring a home care aide, respite care, adult day care and transportation and for technology to assist the family caregiver to care for the eligible family member.</p> <p>A <u>family caregiver</u> is an individual who provides care and makes uncompensated eligible expenditures for one or more eligible family members and has a federal adjusted gross income of less than \$75,000 if the family caregiver is filing as a single individual or as a married person filing, separately and \$150,000 if the family caregiver is filing as a head of household or is filing a married joint return.</p> <p>An <u>eligible family member</u> is an individual who is 18 years of age or older who requires assistance with at least one activity of daily living, as certified by a qualified licensed health care practitioner, and is a dependent, spouse, registered domestic partner, parent or other relation by blood or marriage of the family caregiver or a registered domestic partner of the family caregiver.</p>			
492	64			Tepler	An Act To Restore Revenue Sharing	<p>Currently, state-municipal revenue sharing is decreased from 5% to 2% for fiscal years 2017-18 and 2018-19; it reverts to 5% beginning with fiscal year 2019-20.</p> <p>This bill reverts the percentage of state-municipal revenue sharing to 5% beginning October 1, 2017 but then requires a fixed portion of that amount to be transferred to the General Fund beginning in October 2017 and for all of fiscal year 2018-19.</p>			
493	293	3/6		Melaragno	An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs	<p>This bill creates an excise tax of 1¢ per 25 gallons of groundwater or surface water extracted from springs or other underground sources in this State by a bottled water operator that extracted more than 1,000,000 gallons in the previous calendar year if the water is packaged for sale. The revenues from the tax are transferred to a newly created Maine Water Quality Testing and Monitoring Fund to be administered by the Department of Environmental Protection. Of the money</p>			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
						transferred, 85% will support well water testing and 15% will support lake water quality monitoring and support.			
513	998	2/27		Bellows	An Act To Eliminate the State Income Tax for Maine Public Employees Retirement System Pensions	Retirement benefits received 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 100% income tax exemption for those retirement benefits similar to the current 100% exemption for military retirement benefits.			
541	1048	3/6		Hickman	An Act Regarding the Commercial Forestry Excise Tax	Currently the State Tax Assessor is required annually to calculate and determine the rate of the excise tax imposed upon owners of land used for commercial forestry using information provided by the Commissioner of Agriculture, Conservation and Forestry regarding expenditures and revenue for forest fire protection for the current and preceding year. This bill simplifies the process and provides greater predictability by establishing an excise tax of 26¢ per acre of commercial forest land. This bill also repeals the current formula and a definition that is no longer necessary due to the repeal of the formula.			
571	1635			Dow	An Act To Eliminate the 3 Percent Surcharge on Certain Income and Provide an Alternative Funding Source for the Fund to Advance Public Kindergarten to Grade 12 Education	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to eliminate the 3% surcharge imposed on individual income over \$200,000, which is imposed to fund the Fund to Advance Public Kindergarten to Grade 12 Education. Instead, this bill would supplant the revenue from the surcharge with 2 alternate sources.			
583	874	3/6		Libby	An Act To Improve the Tax Appeal Process for Maine Businesses and Consumers	This bill expands the tax appeals process for taxpayers by permitting purchasers from whom sales tax or service provider tax has been collected to request a refund from the State Tax Assessor when taxes have been collected erroneously or illegally and the retailer or service provider has not refunded the tax. The bill also permits a person appealing a reconsideration determination to request the legal basis of the determination.			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
620	1087			Pouliot	An Act To Restore the Tax Deduction for Contributions to College Savings Accounts	The bill restores an income tax deduction for contributions to a qualified tuition program established under Section 539 of the United States Internal Revenue Code of 1986 that was repealed in 2015 and sets the deduction at a maximum of \$1,000 annually per designated beneficiary. The change applies to tax years beginning on or after January 1, 2017.			
621	970			Tippling	An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to recruit and retain professionals in Maine by: <ol style="list-style-type: none"> 1. Creating an enhancing certain tax credits, such as the dental care access credit and primary care access credit, which provides a tax credit for dentists and medical professionals practicing in an underserved area of the State; and 2. Creating or enhancing loan and loan forgiveness programs, such as the Educators for Maine Program and the Health Professions Loan Program, which provides loans to students in the areas of education or health who then agree to complete a certain length of service in Maine in return for forgiveness of those loans. 			
707	1685			Ordway	An Act To Base the Motor Vehicle Excise Tax on the Purchase Price of the Motor Vehicle	This bill changes the method of computing the excise tax that is levied on motor vehicles and camper trailers 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; the excise tax on certain commercial motor vehicles and buses and special mobile equipment is based on the purchase price. The bill requires that the excise tax for all motor vehicles and camper trailers be based upon the purchase price of the vehicle. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.			
708	1078			Denno	An Act To Use Taxes on Nonmedical Marijuana and Increase the Tax on Cigarettes To Partially Offset the 3% Income Tax Surcharge	This bill increases the sales tax on nonmedical marijuana from 10% to 15% and the tax on cigarettes from \$2.00 per pack of 20 cigarettes to \$2.50 per pack. The bill provides that revenue from these increases is deposited in the newly created Surcharge Relief Fund to be used to reduce the rate of the 3% surcharge on taxable income exceeding \$200,000. The bill contains			

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY18	FY19
						an effective date of October 1, 2017.			
727	1432			Stetkis	An Act To Protect the Tax Base of Municipalities by Removing the Property Tax Exemption for Land Held for Conservation or Public Access Purposes	This bill addresses the effect of the Maine Supreme Judicial Court decision in <i>Francis Small Heritage Trust, Inc. V. Town of Limington et al.</i> , 2014 ME 102, by specifying that holding land primarily for conservation or public access purposes is not a benevolent or charitable purpose, which is a condition necessary to obtaining an exemption from property tax. The change applies to property tax years beginning on or after April 1, 2018.			
733	1350			Tipping	An Act Regarding Maine's Tax Code	This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to make changes to certain taxes imposed pursuant to Maine Law.			