

TAXATION COMMITTEE

jsj 3/9/2017 10:11 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 | 3/1 | 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. | OTP | No revenue impact | |
| 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.

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| | | | | | | | | 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 exemption for 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 | 3/1 | 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. | Table | | |
| 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 | 3/8 | 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. | Table for other vets bills | 50% reimbursement \$2.5 million/year | |

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| | | | | | | <p><u>Current exemption (generally also applies to widows, widowers and surviving minor children):</u> \$6,000 Standard war-period exemption vets \$7,000 WW1 veterans \$40,000 paraplegic vets with specially adapted housing units Maine Constitution requires 50% reimbursement to municipalities for tax losses due to new property tax exemptions. (Art. IV, Part 3, Sec. 23)</p> | | | |
| 91 | 1189 | 2/27 | 3/6 | Davis | An Act To Provide an Income Tax Credit for Retailers Collecting Sales Tax | <p>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.</p> <p>Under current law retailers retain "breakage" as compensation for collection.</p> <p>Maine Retail Association indicated preference for assistance in the form of sales tax deduction rather than income tax credit. MRA indicated at public hearing that a bill would be coming that would "pay for cost" of assistance to retailers collecting sales tax by taxing certain online sales.</p> <p><u>Technical concern:</u> Needs application date.</p> | ONTP | \$2.5 to \$5 million per year | |
| 116 | 119 | 3/6 | | Golden | An Act To Increase Funding for Multimodal Transportation | <p>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.</p> <p>Under current law (23 MRSA §4210-B) all revenue from the sales tax on short-term rental of the specified motor vehicles is transferred to the Multimodal Transportation Fund to be used for multimodal forms of transportation.</p> | | | |
| 117 | 1086 | 3/1 | 3/8 | Alley | An Act To Strengthen the Farm and Open Space Tax Law | <p>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.</p> <p>3/1 MMA (Dufour) offered to meet with proponents to</p> | Tabled for work on amendment | No estimate available | |

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| | | | | | | | | FY18 | FY19 |
| | | | | | | try to work out agreement. 3/8 tabled for Dufour to work with sponsor on amendment | | | |
| 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 | 3/8 | Daughtry | An Act To Exempt Veterans with ALS from the Excise Tax on Automobiles | This bill exempts from motor vehicle excise tax an automobile owned by a veteran who has been diagnosed with amyotrophic lateral sclerosis. | ONTP | Unknown municipal revenue decrease Potential minor GF revenue decrease | |
| 205 | 1280 | 2/15 | 3/1 | 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. Sponsor indicated at PH that should expanded to include paralympics. Federal P.L. 113-239 enacted in 2016 excludes from federal gross income Olympics and Paralympics medals and cash prizes for individuals whose FAGI is less than \$1,000,000. This treatment will flow through to Maine income tax. | table | Negligible revenue loss | |
| 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. Feminine hygiene products are defined as products used with respect to menstruation including tampons, pads liners and menstrual cups. | | | |

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| 235 | 140 | 2/15 | 3/1 | Brakey (by request) | An Act To Repeal the Service Provider Tax | <p>This bill repeals the service provider tax effective October 1, 2017.</p> <p>Service provider tax is a tax at the rate of 6% on the following services:</p> <p><u>Revenue to GF (FY 16 \$44,916,959):</u></p> <ol style="list-style-type: none"> 1. Cable and satellite TV and radio 2. Fabrication services 3. Rental of video media and equip. 4. Rental of furniture, audio media and equip. 5. Telecommunication services 6. Installation, maintenance or repair telcom equipment 7. Ancillary telcom services <p><u>Revenue to Medicaid match fund (FY 16 \$40,128,998)</u></p> <ol style="list-style-type: none"> 1. Private nonmed institution services (PNMIs) 2. Community support servs (mental health) 3. Community support servs (intellectual disabil/autism) 4. Home support services 5. Group residential servs (brain injuries) <p>6. Tax is imposed on provider but may be passed on and separately stated to consumer.</p> | ONTP | | |
| 289 | 185 | 3/1 | 3/8 | Stanley | An Act To Extend the Veteran Property Tax Exemption to Veterans Who Have Served on Active Duty | <p><u>Current law</u> provides a property tax exemption to a veteran of the Armed Forces of the United States but only if the veteran served <u>during a federally recognized war period</u> and is at least 62 years of age or was disabled during active military service.</p> <p>\$6,000 Standard war-period exemption vets \$7,000 WW1 veterans \$40,000 paraplegic vets with specially adapted housing units</p> <p><u>This bill removes the requirement that the veteran must have served during a federally recognized war period,</u> 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.</p> <p><u>Maine Constitution requires 50% reimbursement to</u></p> | Tabled for other vets bills | 50% reimbursement \$450,000 to \$500,000/year | |

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| | | | | | | <u>municipalities for tax losses due to new property tax exemptions.</u> (Art. IV, Part 3, Sec. 23) | | | |
| 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 | 3/6 | 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. | ONPT | Rough estimate \$200,000 per year MRS indicates similar employer credits have not been widely used by employers | |
| 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 | 3/8 | McLean | An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax | <u>Current law</u> provides a motor vehicle excise tax exemption for certain amputee or blind veterans. <u>This bill</u> provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability. | Tabled for other vets bills | | |

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| | | | | | | <p><u>BMV estimates approximately 2700 vehicles would be eligible at average excise tax of \$300 for a total loss of excise tax revenue to municipalities of approximately \$800,000 (Hinkley email 3/2/17)</u></p> | | | |
| 368 | 1676 | 2/27 | 3/6 | 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>Repatriated profits are currently taxed at 35% at the federal level. Some current federal tax reform proposals have proposed reducing the rate.</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> <p><u>Tabled at request of sponsor to work on a draft.</u></p> | table | | |
| 442 | 918 | 2/27 | 3/6 | 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</p> <ol style="list-style-type: none"> <u>Improvement of or alternation to the caregiver's primary residence to permit the eligible family</u> | table | | MRS – could be large fiscal impact. existing credits overlap. |

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| | | | | | | <p>member to remain mobile, safe and independent in the home and community;</p> <p>2. <u>Caregiver's purchase or lease of equipment</u> necessary to assist the eligible family member in ADLs; and</p> <p>3. <u>Cost incurred to assist the caregiver to provide care</u> 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> <p><u>Current existing credits:</u></p> <p><u>Child and dependent care credit</u> (36§5218). 25% of federal child and dependent care credit (applies to dependent adults)</p> <p><u>Adult dependent care credit</u> (36§5218-A). Portion of adult day care, hospice or respite services for eligible adult not included in child and dependent care credit.</p> <p><u>Credit for homestead modifications</u> (36 §5219-NN). Credit for home modifications to make home accessible for person with disability or physical hardship.</p> <p>3/6 Tabled for interested parties to draft an amendment.</p> | | | |

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| | | | | | | | | FY18 | FY19 |
| 492 | 64 | | | Tepler | An Act To Restore Revenue Sharing | 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. 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. | | | |
| 493 | 293 | 3/6 | | Melaragno | An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs | 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, after reduction for administrative costs, 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 transferred, 85% will support well water testing and 15% will support lake water quality monitoring and support. | | | |
| 513 | 998 | 2/27 | 3/6 | 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. <u>3/6 Sponsor presented proposed amendment. Tabled</u> <u>Consider with budget pension proposal?</u> | Table | \$30-\$50 million/year \$20 million/year (Allen 3/6) | |
| 541 | 1048 | 3/6 | | Hickman | An Act Regarding the Commercial Forestry Excise Tax | Under current law the commercial forestry excise tax is imposed upon persons owning in aggregate more than 500 acres of commercial forest land. The tax per acre | | | |

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| | | | | | | <p>is determined annually by dividing 40% of net state forest fire control costs by the number of taxable acres.</p> <p>The State Tax Assessor annually calculates and the rate of the excise tax imposed 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. Rates over the last 10 years have ranged between 38¢ (2007-9, 2011) per acre to 25.9¢per acre (2013)</p> <p>This bill establishes an excise tax of 26¢ per acre of commercial forest land. The tax appears to eliminate the exclusion of the first 500 acres of forestland. It is not clear whether this is intentional as some portions of the law referring to 500 acres are not repealed</p> | | | |
| 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 | <p>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.</p> <p>The bill also permits a person appealing a reconsideration determination to request the legal basis of the determination.</p> | | | |
| 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 | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to recruit and retain professionals in | | | |

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| | | | | | | | | FY18 | FY19 |
| | | | | | Amending Maine's Income Tax Code | <p>Maine by:</p> <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 | <p>This bill changes the method of computing the excise tax that is levied on motor vehicles and camper trailers registered in the State.</p> <p>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.</p> <p>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.</p> | | | |
| 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 | <p>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 an effective date of October 1, 2017.</p> | | | |
| 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 | <p>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.</p> | | | |

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| 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. | | | |
| 741 | 260 | | | Stearns | An Act To Provide Equity in Education Funding | This bill allows a municipality that is a member of a school administrative unit receiving the minimum state share for education funding to impose by referendum a local option sales tax of up to 1% to be used for funding kindergarten to grade 12 education and reducing the property tax rate. This bill also repeals a provision of the education funding laws calculating a minimum state share of costs based on a percentage of special education costs. | | | |
| 781 | 1987 | | | Herbig | An Act To Support the Trades through a Tax Credit for Apprenticeship Programs | This bill provides an income tax credit to employers with apprenticeship programs approved by the Department of Labor. The credit is equal to \$2,500 for each registered apprentice employed by the taxpayer during the taxable year in an approved apprenticeship program. | | | |
| 782 | 2146 | | | Sanderson | An Act To Provide a Sales Tax Exemption for Certain Veterans' Facilities | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to create a sales tax exemption for goods purchased by certain veterans' facilities. | | | |
| 782 | 1112 | | | Stewart | An Act Regarding Business Income Tax | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to provide an income tax credit for a business that makes a voluntary contribution to fully or partially fund a qualifying local project that would otherwise need to be funded by the State. Qualifying projects would include those funded through the Maine Municipal Bond Bank or local projects involving high-priority infrastructure or otherwise approved by a municipality as a priority project. | | | |
| 784 | 343 | | | Tipping | An Act To Prevent Tax Haven Abuse | This bill requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. The State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income and 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. | | | |
| 829 | 1826 | | | Diamond | An Act To Increase the Income Tax Surcharge Threshold Imposed on Households | This bill amends the 3% surcharge imposed on individual taxable income over \$200,000 to increase the threshold, for tax years beginning after 2017, to | | | |

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| | | | | | | \$300,000 for taxpayers filing as heads of households and to \$400,000 for taxpayers filing married joint returns or surviving spouses permitted to file a joint return. Single individuals and married persons filing separate returns are still subject to the surcharge on taxable income over \$200,000. | | | |
| 851 | 303 | | | Sirocki | An Act To Repeal and Subject to Referendum in 2018 the Fund To Advance Public Kindergarten to Grade 12 Education and the 3 Percent Income Tax Surcharge | Part A of this bill repeals the 3% surcharge imposed on taxable individual income over \$200,000 for tax years beginning in or after 2017 and the Fund to Advance Public Kindergarten to Grade 12 Education, both as enacted in Initiated Bill 2015, chapter 4. The repeal is retroactive to the effective date of the initiated bill. Part B of this bill enacts a 3% surcharge on taxable individual income over \$200,000 for tax years beginning in or after 2019 and it enacts the Fund to Advance Public Kindergarten to Grade 12 Education, but only if approved by the voters at referendum in November 2018. | | | |
| 874 | 1711 | | | Denno | An Act To Expand the Authority of Municipalities To Implement a Property Tax Deferral Program | This bill expands the current authority for municipalities to adopt a property tax deferral program for persons who are 70 years of age or older to include other individuals based on factors such as age, income or assets. | | | |
| 875 | 824 | | | Cebra | An Act To Reduce Property Tax | This bill changes the formula for calculating distributions of state-municipal revenue-sharing funds. The bill provides that revenue-sharing funds will be distributed only to municipalities with mill rates exceeding 10 mills. The bill also provides an adjustment that results in greater reimbursements to municipalities that have a lower mill rate than their average mill rate for the preceding 5 years than to municipalities that do not. The new distribution formula applies beginning in the 2018-19 fiscal year. | | | |
| 885 | 723 | | | Dow | An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes | This bill updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986, as amended through December 31, 2016, for tax years beginning on or after January 1, 2016 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended. This bill primarily affects the State's income tax laws. | | | |
| 887 | 1898 | | | Brakey | An Act To Provide Relief to Maine Property Tax Payers | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to change the method for providing property tax relief through State-municipal revenue | | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY18 | FY19 |
| | | | | | | sharing by providing benefits directly to property tax payers through a state tax credit rather than through distributions to municipalities. The maximum an individual taxpayer could receive would be 80% of the individual's annual property tax bill. The maximum a corporate taxpayer could receive would be 40% of its annual property tax bill. The credit would be calculated as a percentage of total revenue sharing funds attributable to the municipality where the taxpayer's property is located and the taxpayer's annual property tax liability as a percentage of annual property tax liability statewide. | | | |
| 904 | 441 | | | Johansen | An Act To Require the County Commissioners To Adjust the Assessed Value of a Municipality When They Grant an Abatement Request | This bill requires the county commissioners for a municipality or primary assessing area to whom an appeal of an assessment has been made to adjust downward the valuation of the municipality or primary assessing area when the county commissioners grant the abatement. The adjustment must be equal to the amount of the abatement. | | | |
| 915 | 993 | | | Hymanson | An Act To Lower Property Taxes | This bill requires payments beginning in fiscal year 2018-19 to a municipality of an amount, as determined by the State Tax Assessor, equal to 5% of the sales and use tax revenue attributable to the municipality in the previous fiscal year. The amount received may not reduce any other state aid or revenue sharing received by that municipality, and amount. The Unorganized Territory Education and Services Fund receives the local sales tax payment for the unorganized territory and is subject to the same requirement to use the revenue to reduce property taxes. | | | |
| 928 | 426 | | | Picchiotti | An Act Requiring a Dynamic Fiscal Analysis of Changes to Visual Media Production Tax Credits and Reimbursements | Part A of this bill creates a pilot project to develop and evaluate a tax simulation model for state dynamic fiscal analysis of potential changes to the certified visual media production credit established in the Maine Revised Statutes, Title 36, section 5219-Y and the visual media production reimbursement established in Title 36, section 6902. The Department of Economic and Community Development may enter into a memorandum of understanding with the University of Maine to conduct the pilot project. The Department of Administrative and Financial Services, Maine Revenue Services and the Office of Fiscal and Program Review are required to evaluate the findings of the pilot project and to jointly report to the Joint Standing Committee on Taxation whether the proposed changes to the visual | | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY18 | FY19 |
| | | | | | | media production credit and reimbursement would result in a negative or positive fiscal impact. Part B of this bill repeals the certified visual media production credit and instead increases the reimbursement amount for certified production wages paid from 12% to 25% for residents of Maine, increases the cap on the reimbursement of wages from \$50,000 to \$100,000 and provides for a reimbursement of 20% of nonwage visual media production expenses. These changes take effect only if the result of the joint finding of Maine Revenue Services and the Office of Fiscal and Program Review is that the changes proposed in this Part would result in a positive fiscal impact on state revenue. | | | |
| 935 | 522 | | | Blume | 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 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. 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 provided a similar exemption to a former resident of Maine. | | | |
| 936 | 860 | | | Harvell | An Act To Modernize and Simplify the Tax Code | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to modernize and simplify the tax code. | | | |
| 945 | 1860 | | | McCreight | An Act To Reduce the Burden of Tobacco-related Illness by Increasing Revenue from the Cigarette Tax for Use for Tobacco Cessation | This Bill increases the cigarette tax from \$2.00 to \$3.50 per pack of 20 cigarettes, beginning November 1, 2017. This bill also provides increased funding in the amount of \$8,100,000 per year in ongoing funding to the Maine Centers for Disease Control and Prevention for tobacco use prevention and cessation in order to align with United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. Finally, this bill provides \$1,000,000 in fiscal year 2017-18 and \$750,000 thereafter for Maine Care members for tobacco cessation mediations and counseling. | | | |
| 946 | 169 | | | Daughtry | An Act To Provide an Income Tax Credit for Students Returning to College | This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to enact an income tax credit for individuals who are returning to postsecondary | | | |

| LD | LR | PH | WS | SPONSOR | TITLE | SUMMARY (Summaries may not reflect content of most recent committee action) | COMM ACTION | FISCAL IMPACT ¹ | |
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| | | | | | | | | FY18 | FY19 |
| | | | | | | education after an absence of several years to help those individuals complete their degrees. | | | |
| 947 | 1958 | | | Herbig | An Act To Support Employees with Significant Commutes | This bill provides an income tax credit for an individual with a round-trip commute of at least 50 miles between the individual's primary residence and primary place of employment. The credit is equal to 25¢ per mile plus tolls. The credit does not apply to miles or tolls for which the individual claims a deduction from federal income tax or if the individual is compensated by the employer | | | |
| 959 | 1861 | | | Chenette | An Act To Expand Property Tax Relief for Maine Residents | This bill requires that 1% of surplus General Fund revenue be transferred annually to a nonlapsing fund to be used to increase the maximum property tax fairness credit. | | | |
| 974 | 2077 | | | McLean | An Act To Increase the Homestead Exemption | This bill increase the total exemption under the Maine resident homestead property tax exemption program to \$30,000 for property tax years beginning on or after April 1, 2018. Under current law, the total exemption is scheduled to increase from \$15,000 to \$20,000 for property tax years beginning on or after April 1, 2017. Sixty-two and one-half percent of the just value of all the homestead exemptions is included in the total municipal valuation used to determine the municipal tax rate and state valuation; that percentage is not affected by this bill. | | | |