

# TAX WS 1/16/2024

ABBREVIATIONS

COR Carry over requested by TAX

CO-T Carried over in TAX

SHADED LDs HAVE BEEN VOTED

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT <sup>1</sup>	
									FY24	FY25
1027	762			Perkins	An Act to Prohibit Local Sales Taxes	This bill prohibits a municipality from imposing a local sales tax that is not authorized by Title 36, chapter 213 (Sales Tax).	COR	CO-T		
		1/9/24	1/16/24			<p><b>2d Reg:</b> Maine Revenue Services raises Constitutional and technical issues.</p> <p>Article IX, §9 of the Maine Constitution provides: <i>The Legislature shall never, in any manner, suspend or surrender the power of taxation.</i>"</p>				
1900	2209			Brakey	An Act to Establish a Tax Credit for Employers Who Employ Persons Recovering from Substance Use Disorder	<p>This bill provides for an <u>income tax credit</u> for <u>employers who:</u></p> <ol style="list-style-type: none"> <li><u>Employ persons recovering from substance use disorder who are completing or have successfully completed a substance use disorder treatment program certified by DHHS.</u></li> <li><u>DHHS is required to establish a certification process for employers.</u></li> <li>A certified employer, in order to receive the tax credit, is required to apply to the State Tax Assessor for the tax credit.</li> <li>The tax credit is <u>available with respect to an employee who has been employed with the employer for at least 500 hours.</u></li> </ol>	COR	CO-T		

<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>5. The credit is calculated by multiplying the number of hours, above the 500 hours from date of hire, worked by the employee, by \$1, except that the credit may not exceed \$2,000 for each eligible employee. The credit may be claimed only once per employee. The credit is further limited by a total allocation of credit of \$2,000,000 per year.</p> <p>6. Credit is <u>not refundable and may not be carried over</u>.</p>				
		1/9/24	1/16							
1974	818			Stewart	An Act to Reauthorize Maine's New Markets Tax Credit Program	<p>This bill amends the Maine New Markets Capital Investment Program and the new markets capital investment income tax credit to establish a new tax credit authority, referred to as "the program 2 tax credit authority," for tax credit authority allocated by the Finance Authority of Maine on or after January 1, 2023.</p> <p>This bill establishes an application process for community development entities recognized as Maine funds and diverse Maine funds to receive an allocation of tax credit authority.</p> <p>The effect of this change on the Maine New Markets Capital Investment Program is to shorten the period, from 24 months to 6 months after receipt of the notice of allocation of the tax credit authority, by which a community development entity must issue the equity investments or debt securities and receive cash in the total amount of tax credits authorized. The limit on the amount of tax credits authorized is unchanged.</p> <p>The effect of this change on the new markets capital investment tax credit is to shorten the time, from 24 months to 12 months after issuance of the qualified</p>	COR	CO-T		

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						<p>equity investment, by which a community development entity must invest at least 85% of the purchase price of the qualified equity investment in qualified low-income community investments before recapture of the credit is allowed.</p> <p>This bill makes conforming changes to the new markets capital investment tax credit provisions to integrate impact qualified equity investments into the existing provisions governing the eligibility for an allocation of tax credits under the Maine New Markets Capital Investment Program. The amount of impact qualified equity investments is \$30,000,000, which may be made in exchange for tax credits, to be invested in historically disadvantaged groups located anywhere in this State. Fifty percent of impact qualified equity investments must be reserved for diverse Maine funds, which are community development financial institutions that have their principal place of business in this State and are more than 50% owned and controlled by individuals who are racial or ethnic minorities or members of a federally recognized Indian nation, tribe or band in this State or are governed by a board of directors more than 50% of which are individuals who are racial or ethnic minorities or members of a federally recognized Indian nation, tribe or band in this State.</p> <p>The maximum amount of an investment made with a qualified equity investment by a qualified community development entity in a qualified active low-income community business is \$5,000,000.</p>				
		1/9/24	1/16/24							

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									FY24	FY25						
1999	2509			Terry	An Act to Ensure the Equitable Treatment of Military Retirement Plan Income	<p><b>CURRENT LAW:</b> provides an exemption (subtraction modification) from state income tax for military retirement plan benefits.</p> <p>This bill provides, for tax years beginning on or after January 1, 2023, <u>a state income tax exemption (subtraction modification) for military retirement plan benefits that are included in a federal retirement plan.</u> Intent is to include the portion of civil federal retirement plan benefits that are attributable to military service.</p>	COR	CO-T								
		1/9/24	1/16/24										MRS identifies administrative concerns.			MRS estimates:  Revenue impact: Less than !,000,000 per year  Admin costs: Not yet available.
		1/16	1/31													
2005	2525			Frederick s	An Act to Eliminate the Aircraft Excise Tax	<p>This bill repeals the annual excise tax imposed on aircraft and provides an explicit exemption from the excise tax for aircraft.</p> <p><u>Current excise tax:</u>  Maker's average equipped price multiplied by:  9 mills first year  7 mills second year  5 mills third year  4 mills fourth year  3 mills fifth and succeeding years</p>	COR	CO-T								
		1/9/24	1/16/24													

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2006	2534			Keim	An Act to Amend the Laws Regarding Adjustments for Sudden and Severe Disruption of Municipal Valuation	This bill provides that the amount of money that a municipality that qualifies for a reduction in its state valuation because of a sudden and severe disruption of valuation and that uses money from undesignated fund balances does not reduce the amount of money that municipality receives in state-municipal revenue sharing.	COR	CO-T		
		1/9/24	1/16/24							