

## Proposed Adjustments to Review Category Assignments

Note: OPEGA reviewed the document "Enacted Tax Legislation - 2024 Session" prepared by the Maine Revenue Services to catalogue new, repealed or modified tax expenditures from statutory changes in 2024. The statutory changes that create or repeal tax expenditures are listed below.

ID #	Expenditure Program Name	Brief Description	Tax Policy Goal	FY24 Revenue Loss Estimate*	FY25 Revenue Loss Estimate*	Statute Cite: Title 36 unless otherwise specified	Proposed Adjustment
<b>Recommended changes to Category A - Full Evaluation by OPEGA</b>							
	Maine Capital Investment Credit (MCIC)	For tax years beginning on or after January 1, 2025, the Maine capital investment credit is repealed except that unused credit amounts may be utilized to the fullest extent allowed by the carryforward provisions for the credit.	Conformity with IRC	\$5,830,000	\$4,910,000	§5219-NN	Enacted by PL 2015, c. 388 Repealed by PL 2023, c. 412 <b>Proposal: Remove from Schedule</b>
	Qualified Professional Baseball Facilities Income Tax Credit	A qualified applicant that has made a qualified investment of at least \$1M may be eligible for a refundable credit of up to \$1.995M total over 15 years.	Business Incentive - Targeted Industry	N/A	FY25-26 \$159,530 (fiscal note)	§5219-BBB	Enacted by PL 2023, c.667 <b>Proposal: Add to Category A</b>
<b>Recommended changes to Category C - No Review</b>							
	Sales tax exemption for sales to nonprofit organizations	Beginning 1.1.2025, the law will provide a sales tax exemption for sales to nonprofit organizations that have been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, if the tangible personal property or taxable services sold are to be used primarily for the purposes for which the nonprofit organization was organized.	Charitable	Not available	Up to \$10M when fully implemented (Public Testimony)	§1760(11)	Enacted by PL 2023, c. 643 <b>Proposal: Add to Category C for now until Revenue Loss Estimates are available to Reconsider</b>
	Lincoln Mill Facilities District bond Interest	Certain bonds issued by the Lincoln Mill Facilities District are, together with interest on and income from the bonds, exempt from all taxes, including Maine income tax.	Specific Policy Goal/Mandate	Not available	Not available	Unallocated	Enacted by P&SL 2023, c.23 <b>Proposal: Add to Category C for now until Revenue Loss Estimates are available to Reconsider</b>
	Short-term rentals of trucks and vans rented from a person primarily engaged in the business of renting automobiles	Beginning 1.1.2025, the rate of sales tax charged on rentals of trucks and vans with a gross vehicle weight rating of less than 26,000 pounds, rented from a person primarily engaged in the business of renting automobiles, will be reduced from 10% to 5.5% of the periodic rental payment amount. The 10% rate is still imposed on rentals of automobiles and certain loaner vehicles for periods less than one year.	Business Incentive - Targeted Industry	Not available	Not available	§1811(1)(D)	Enacted by PL 2023, c. 643 <b>Proposal: Add to Category C for now until Revenue Loss Estimates are available to Reconsider</b>
	Installment sale election	For tax years beginning on or after January 1, 2024, the law provides that interest associated with an installation sale of property for which the election is made by a nonresident individual taxpayer to pay the Maine tax on the gain in the year of the sale or in a subsequent tax year is excluded from Maine taxable income in the year of the election and any subsequent year.	Non-Business Incentive	Not available	Not available	§5147	Enacted by PL 2023, c. 441 <b>Proposal: Add to Category C for now until Revenue Loss Estimates are available to Reconsider</b>

\* Revenue Loss Estimates are from the Maine State Tax Expenditure Report (Red Book) unless otherwise noted.