

Shaded LDs have been voted on by the Committee

4/09/18

TAXATION COMMITTEE

jsj 4/9/2018 10:06 AM

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
1283	1381	4/25	5/2	Saviello	An Act To Modernize the Mining Excise Tax	<p><u>Concept draft:</u> This bill proposes to update the mining tax laws to reflect current terminology and practice and to impose a new rate of tax on mining activities.</p> <p>Current law (enacted in 1982) contains a mining excise tax that is the greater of a percentage of the value of mining facilities and equipment or a percentage of gross proceeds. The tax is in lieu of property tax.</p> <p>No mining activities have been subject to the tax.</p>	CO		
			1/9/18 1/18 1/23 2/8			<p><u>First Regular Session:</u> Changes needed first in mining regulation laws and rules. 4/25 Sponsor requests that bill be carried over to permit time for rules to be decided first.</p> <p>PL 2017, c. 142 (LD 820) enacted in 1st Reg. DEP regulations adopted.</p> <p>1/9/18 Tabled to contact sponsor for input</p> <p>1/18 voted ONTP 1/23 Reconsidered and tabled 21/8 voted ONTP</p>	ONTP		

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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1338	2069	4/26	5/3	Grohman	An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Business	<p>This bill provides tax benefits to employee-owned businesses and cooperatives in the following ways.</p> <ol style="list-style-type: none"> 1. It excludes from Maine income tax the amount of gain recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative. 2. It excludes from Maine income tax interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative. 	CO		
			1/9/18 2/8			<p>First Regular Session Carried over for more work to be done and to coordinate with workforce development efforts?</p> <p>1/9/18 tabled. Sponsor working on revision to focus on small/rural businesses and provide for possible sunset and evaluation.</p> <p>MRS has technical concerns.</p> <p>Committee voted OTPA 2/22/18 MRS and OPEGA concerns about reporting provisions..</p>	OTPA		
1479	1634	4/26	5/11	Stanley	An Act To Modernize and Improve Maine's Property Tax System	<p>This bill amends Maine's property tax laws by:</p> <ol style="list-style-type: none"> 1. Requiring <u>centralized state assessment of complex manufacturing facilities valued at more than \$10,000,000;</u> 2. Allowing <u>appeals</u> of decisions of an assessor or municipal officers involving <u>nonresidential property</u> with a value of <u>more than \$1,000,000 directly to the Superior Court</u> and decisions of the State Board of 	CO		

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						<p><u>Property Tax Review directly to the Law Court;</u></p> <p>3. <u>Limiting to 30 the number of interrogatories or document requests</u> that an assessor may require a taxpayer with property liable to taxation or seeking an exemption under the business equipment tax exemption program to answer in writing; and</p> <p>4. <u>Changing the membership specifications of the State Board of Property Tax Review</u> to remove the requirement that a member be an engineer and instead requires members who are representatives of business and industry who are experienced in taxation, finance or valuation matter.</p>			
			1/9/18 1/18			<p>First Regular Session Interested parties (MMA, J. Block, assessors?) working on refinements.</p> <p>1/9/18 Working group report and draft (see file for description)</p> <p>Tabled for consideration</p> <p>Question whether there should be another public hearing?</p>	OTPA/ ONTP		
1537	726	5/9	5/11	Pouliot	An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents	<p>DAFS bill:</p> <p>This bill makes the current tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2017 and creates a <u>new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2017.</u></p> <p>1. The credit, available to qualified individuals, is equal to the amount of eligible education loan payments made during the tax year, <u>up to the greatest of \$1,000 for individuals having obtained</u></p>	CO		

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						<p><u>an associate degree, \$2,000 for individuals having obtained a bachelor's degree and \$3,000 for individuals having obtained a graduate degree.</u></p> <p>2. <u>A qualified individual must be a full-year Maine resident</u> who has obtained an associate, bachelor's or graduate <u>degree from an accredited Maine or non-Maine community college, college or university after 2007 and who works at least part time in Maine or on a vessel at sea or is deployed for military service</u> in the United States Armed Forces during the taxable year.</p> <p>3. <u>Loans obtained from related persons</u>, such as family members and certain businesses, trusts and exempt organizations, <u>do not qualify</u> for the credit.</p> <p>4. The credit is <u>not refundable</u>.</p> <p>5. The <u>credit for employers</u> of qualified employees is equal to the amount of eligible education loan amounts paid during the taxable year, except that the credit attributable to part-time employees is limited to 50% of the credit otherwise determined.</p>			
			1/9 3/15 3/20			<p><u>First Regular Session</u></p> <p>DECD indicated that discussion had begun (DECD, FAME, MRS) to make even more improvements to the program.</p> <p>1/9/18 tabled at request of DAFS for more time to see how it fits with tax conformity</p> <p>WS 3/15 DAFS presented new language Tabled</p> <p>3/15 DAFS draft revision:</p> <p>1. Changes beginning tax year for changes from 2017 to 2019</p> <p>2. Adds provisions providing a deduction for student loan payment made to a lender on behalf of a qualified employee</p> <p>3. Adds provision proving a deduction for student loan payment made by "FAME Leaders Inc.(Alfond Leaders Program administered by FAME???) on behalf of the taxpayer</p> <p>4. Changes method of calculating the credit: See</p>	tabled		

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						DAFS chart			
1565	733	5/16	5/18	Ward	An Act To Ensure the Effectiveness of Tax Increment Financing	<p>DECD bill: Under <u>current law</u> TIF <u>development programs may include</u> purposes designed to provide new employment opportunities, retain existing employment, improve or broaden the tax base, construct or improve the physical facilities and structures or improve the quality of pedestrian and vehicular transportation</p> <p>This <u>bill</u> provides that beginning with TIF development programs approved by DECD on or after 4/1/18 <u>at least 80% of the area within the district must be designated for development by an entity engaged in a qualified business activity (that is directly related to financial services, manufacturing or targeted technologies).</u></p> <p>PH 5/11. Amendments provided by Rep. Ward for DECD replacing the bill</p> <ol style="list-style-type: none"> 1. Removes requirement that 80% of development district be qualified business activity 2. Adds requirement that credit enhancement agreements may only be allowed under contract between municipality and the business engaged in qualified business activity (same definition as original bill). Unclear when new requirement applies. 	CO		
			1/9/18 1/18			<p>First Regular Session Need time to consider implications. Carried over.</p> <p>1/9/18 new DECD draft from Rep. Ward <u>Replaces bill.</u> Requires that proposal for TIF credit enhancement agreement with a business <u>other than</u> financial services, manufacturing or targeted technology must have notice and public hearing.</p> <p>Tabled for time for municipalities to comment to legislators</p> <p>May need technical drafting corrections.</p>	ONTP		

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1461	1619	4/27	5/4 5/10	Volk	An Act To Encourage the Construction of Affordable Housing	<p>This bill creates an income tax credit for</p> <ol style="list-style-type: none"> 1. owners of federally-qualified low-income housing developments; 2. that qualify for federal tax credits; 3. are financed with tax-exempt bonds; 4. located in the State and 5. are determined by the Maine State Housing Authority to be eligible for a federal tax credit whether or not a federal tax credit is allocated to the development. <p>The <u>aggregate amount of credits allocated by MeSHA in each calendar year</u> may not exceed the total of \$42 million plus amounts not allocated in previous year plus amounts recaptured.</p> <p>A taxpayer who receives the credit must agree to enter into a restrictive covenant to maintain and operate the development as low-income housing and follow various federal requirements for 15 years.</p> <p>The state tax credit is for <u>6 years</u> and has a <u>recapture provision if the basis of the development goes below a the amount for the previous year.</u></p> <p>An insurance company is allowed to apply the credit against the company's insurance premium tax.</p> <p>The Maine State Housing Authority is required annually to report to the Legislature various details of the qualified developments that received a credit for the prior tax year.</p> <p><u>5/4 Table till 5/10 for interested parties to work with MeSHA and MRS on amendment</u></p>	CO		
			1/9/18 2/6/18 2/22/27			<p><u>Second Regular Session</u></p> <p>Group (Tardy?) to work with MeSHA/MRS on refinement of bill? MeSHA willing to administer.</p> <p>1/9/18 New draft provided by J. Tardy. Tabled for review of draft; relationship to federal IT changes?</p>	OTPA/ OTPA/ ONTP		

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						<p>2/6/18 New Tardy draft distributed (Technical changes from 1/9/18 version):</p> <p><u>Credit against income tax or insurance premium tax:</u></p> <ol style="list-style-type: none"> Maximum credits: In 2019 and 2020 MeSHA may award each year up to <u>\$4,000,000 per year</u> to be taken over 6 years. (<u>Total \$48,000,000 credits</u>) Eligible recipients. <ol style="list-style-type: none"> Federally "qualified low-income housing project" That is not eligible for historic rehabilitation credit as certified housing project <u>and</u> Is determined to be eligible for federal credit whether allocated or not. Timing. Credit <u>may not be claimed before 2021</u> taxable year Duration. Credit is <u>claimed over 6 years</u> Rural areas. <u>35 %</u> of qualified developments awarded credit allocation must be in <u>rural</u> municipality (pop. less than 30,000) Report. <u>MeSHA annual report</u> to Legislature: <ol style="list-style-type: none"> number of qualified developments and total number of units supported by developments Location, household type, demographic information, income levels intended to be served, rents authorized for the development Housing market and demographic info that demonstrate qualified developments are addressing need for affordable housing and any remaining disparities. <p>2/6 WS – Tabled 2/20 WS – Tabled 2/22 WS – Tabled</p> <p>2/27 WS Voted OTPA/OTPA/ONTP</p> <ol style="list-style-type: none"> OTPA (Cushing) Tardy 2/6 draft with MRS technical concerns addressed. OTPA (Tipping) replaces bill with provisions 			

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						<p>directing additional transfers of real estate transfer tax from GF to HOME fund in the amount of \$4,000,000 in each of FYs 2020 to 2025</p> <p>MRS and LIHTC community are having difficulty agreeing on language.</p>			
1599	2328	5/16	5/18 6/2	Stanley	An Act To Improve the Maine Tree Growth Tax Law	<p>Governor's bill: (Similar to LD 1691 introduced in 2016 – unanimous ONTP)</p> <p>This bill makes the following changes to the Maine Tree Growth Tax Law.</p> <ol style="list-style-type: none"> 1. It <u>includes harvesting</u> as an expressly stated purpose for land in the Maine Tree Growth Tax Law program. 2. It removes certain items from the <u>definition of forest products</u> that have commercial value under the Maine Tree Growth Tax Law program. 3. It <u>increases the minimum parcel size from 10 acres to 25 acres</u> for the Maine Tree Growth Tax Law program for parcels enrolled on or after April 1, 2018. 4. It authorizes the Department of Agriculture, Conservation and Forestry, <u>Bureau of Forestry to audit parcels of land enrolled in the Maine Tree Growth Tax Law program to ensure compliance</u> of the landowner with the requirements of the program and that the parcel is being managed in substantial compliance with the forest management and harvest plan for that parcel. The bureau is <u>required to order the removal from the program of any parcel that is not substantially compliant with the requirements of the program</u>. The owner of that removed parcel <u>may apply to reclassify the parcel under the farm and open space tax law</u> in the Maine Revised Statutes, Title 36, chapter 105, subchapter 10. The audit provisions are repealed January 1, 2020. 5. It requires the <u>State Tax Assessor to deny reimbursement to a municipality if any parcel of land enrolled in the Maine Tree Growth Tax Law program is not compliant with the program</u>. 	Carry over		

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						<p>Maine Forest Services submitted proposed amendments</p> <p><u>5/18 Voted ONTP</u></p> <p><u>6/2 Reconsidered and voted to request CO</u></p>			
			2/15 2/20			<p><u>First Regular Session</u></p> <p>TAX requested group of interested parties (headed by Steve Shaler, head of School of Forest Resources at UMO) to study issues related to the tree growth tax law and to report their recommendations including any recommended legislation to the TAX Committee by 2/1/18. "Timber Tax Committee" has been meeting for several months and held public comment session on 1/3/18.</p> <p><u>Report presented 2/15.</u></p> <p>No recommended legislation.</p> <p>Recommendations are made for MRS and MFS to prepare educational materials and explanations to improve understanding of the law among landowners and foresters.</p>	ONTP		
1629	2290	1/25/18	2/6 2/20 2/27 3/22	Espling	An Act To Protect the Elderly from Tax Lien Foreclosures	<p><u>Governor's bill</u></p> <p><u>Subsection 1, 2 and 5 are existing law.</u></p> <p><u>Subsection 3 and 4 are new.</u></p> <p>1. This bill creates a <u>preforeclosure process</u> (subsection 3) 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. (appears to apply to property other than residences)</u></p> <p>The preforeclosure process includes :</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>2. This bill also creates <u>additional provisions</u> (subsection 4) concerning the sale of foreclosed property including:</p>	OTPA/ OTPA/		

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						<p><u>(All requirements other than (f)A appear to apply without regard to age.)</u></p> <ol style="list-style-type: none"> 1. If the property is the sole residence of an owner <u>65+ years old</u>, the 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> <p>2/6 Work session: Tabled for further consideration. 2/20 Work session – Tabled Interested parties working on improvements 2/27 Worksession Voted OTPA/OTPA/ONTP 3/22 Work session Reconsiderd; voted OTPA/OTPA</p> <ol style="list-style-type: none"> 1. Requires tax assessor and STA for UT to notify property owner of availability of assistance in filing abatement request and assistance from Bur of Consumer Protection regarding options to avoid foreclosure. Includes mandate preamble. 2. Requires STA to prepare informational materials that can be used by municipal assessors to notify property owners of abatement and BCP assistance but does not require assessors to notify property owners. 3. <p>(2/27 OTPA report that required municipalities and STA, with regard to property owners 65 or older, to use licensed real estate broker, sell at fair market value and return excess proceeds over costs to the former owner)</p>			

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1655	2770	3/15	3/15 3/19	Dow	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	<p>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, 2017 for tax years beginning on or after January 1, 2017 and for any prior 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.</p> <p>Numerous changes made in federal Internal Revenue Code by Tax Cuts and Jobs Act (TCJA) Became law 12/22/17</p> <p><u>Proposed Committee Amendment submitted by administration 3/1/18</u> See separate materials</p>			
1660	2769	1/25	2/20	Hilliard	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	<p>DAFS bill: This resolve authorizes the State Tax Assessor to convey the interest of the State in 34 parcels of real estate in the Unorganized Territory that were acquired by the State through foreclosure for nonpayment of property tax.</p> <p>PH 1/25: MRS testimony includes amendment to correct amounts on 2 parcels of property.</p>	OTPA		
1669	2459	1/25	2/5	Fecteau	An Act Regarding Levies Placed on Accounts at Financial Institutions for Unpaid State Income Taxes	<p>This bill requires a <u>financial institution</u>, in a case in which a delinquent taxpayer's accounts have been levied for unpaid state income taxes to <u>satisfy the levy in the following order</u></p> <ol style="list-style-type: none"> 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 3rd party. 	ONTP		
1680	2691	1/22 2/8		Bailey	An Act To Create an Access to Justice Income Tax Credit	<p>This bill provides an <u>income tax credit for 5 years</u> for <u>attorneys</u> who <u>begin the practice of law</u> in the State and agree to practice for at least 5 years <u>in an underserved area</u> of the State as determined by the Board of Overseers of the Bar.</p>	OTPA		

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						<p>Eligibility for the credit is open <u>from 2019 through 2024</u>. The board may certify <u>up to 5 eligible attorneys each year</u>.</p> <p>The Taxation committee is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.</p> <p><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></p> <p>2/8/18 Sponsor has proposed Committee amendment that reduces the credit to \$6,000 and changes requirements to receive the credit. Applicant must</p> <ol style="list-style-type: none"> 1. Agree to accept court appointments and 2. Agree to perform higher than average pro bono work <p>The amendment also provides standards for the Board of Overseers of the Bar in identifying “underserved areas.</p>			
1687	2509	1/25	2/6	Dill	An Act To Amend the Laws Governing the Calculation of Excise Tax on Automobiles	<p>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.</p> <p><u>Current law:</u> With the exception of certain commercial motor vehicles and buses and special mobile equipment, the excise tax is based upon the <u>maker's list price</u> for the motor vehicle.</p> <p><u>This bill</u> requires that the excise tax on motor vehicles and camper trailers</p> <ol style="list-style-type: none"> 1. <u>in the first or current year of model be based on the purchase price</u> of the vehicle and 2. <u>in subsequent years be based on</u> on the <u>maker's list price</u>. <p>Either the original bill of sale or the state sales tax document may be used to verify the purchase price.</p>	ONTP/ OTPA		

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1721	2490	1/16	1/23 2/5	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>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.</p> <p>Several comments at PH recommended including motor vehicle rentals.</p> <p>1/23 <u>New language from MRS Tabled</u> for further research and understanding. (OTPA motion on table to amend with MRS suggested language and fiscal note)</p>	OTPA		
1722	2711	1/16	1/23 3/15	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. Eligible server equipment, 2. Eligible power infrastructure 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 dedicated to housing working servers. 3. That certifies that it 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. 4. <u>Qualified business must begin operation</u> 	ONTP		

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						<p>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.</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	2/6 2/22/27	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> <p>Sponsor provided draft 1/22/18: <u>Income tax deduction</u> for <u>employer</u> for certain costs of <u>employee housing</u>. Bill provides</p> <ol style="list-style-type: none"> 1. If employer <u>is not</u> able to deduct the cost for federal income tax, the deduction is <u>100% of cost</u> for employees who worked at least 1750 during prior year and <u>50% of cost</u> for employees who worked 1000 to 1749 hours during prior year. 2. If employer <u>is</u> able to deduct the cost for federal income tax, the deduction is <u>lesser of actual cost or \$1,500</u> for employees who work at least 1750 during prior year and the <u>lesser of actual cost or \$750</u> for employees who worked 1000 to 1749 hours during prior year. <p>Under <u>current law</u>, employer costs for employee housing may already be deductible as business expenses and may be includible in taxable income as employee benefits for the employee.</p> <p>2/20 Work session – Tabled until 2/27 Sponsor provided new language for deduction: \$1,500 if employee works 1750+ hrs./yr \$1,000 1000-1750 hr./yr</p>	ONTP/ OTPA		

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						\$750 475-1000 hrs./yr <u>Deductible costs:</u> payments to employee to pay for housing; direct payment to 3 rd party for employee housing; fair market value of housing provided without cost to employee.			
1734	2587	1/16	1/23 2/5 2/15	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 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> <p><u>2/5 Tabled for forthcoming language</u></p>	OTPA		

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1744	2658	1/22	2/2/20	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> <p><u>2/6/18 work session:</u> <u>Sponsor proposed COMM. AMDT</u> Provides an exemption from commercial forestry excise tax for landowners who are</p> <ol style="list-style-type: none"> 1. Based in the US 2. Demonstrates that businesses and contractors hired are "based in the US, and 3. Requires that businesses employed by the landowner have paid all taxes due the State or political subdivisions of the State <p><u>Tabled</u> for further consideration: Further info on impact on landowners, logging contractors? Would a different incentive be better? How credit affects CFET calculation? What is meaning of MRS list of personal property?</p>	OTPA/ ONTP		
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	3/15 3/20	Fredette	An Act To Strengthen Maine Families with Children by Changing the Income Tax Laws	<p>This bill:</p> <ol style="list-style-type: none"> 1. <u>Doubles</u> the amount of the <u>earned income tax credit</u> a taxpayer may claim to 10% of the federal earned income credit and <u>removes refundability for nonresidents</u>. Bill does not apportion credits for nonresidents and part-year residents. 2. <u>Enacts a new nonrefundable child tax credit</u> to allow a taxpayer a credit in an amount <u>equal to the federal child tax credit</u>. <p>Pre TCJA federal credit was an amount up to</p>	Tabled		

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						<p>\$1,000 for each qualifying child (under 17 yoa) the taxpayer supports during the tax year. A portion may be refundable (complicated formula). Credit phases out for upper income families.</p> <p>The proposed state credit is refundable only to the extent that the federal additional child tax credit is refundable and only for individuals filing as residents or part-year residents.</p> <p><u>Bill does not apportion credit for nonresidents and part-year residents.</u></p> <p><u>2017 federal tax reform:</u></p> <ol style="list-style-type: none"> 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. Credit phases out beginning with modified AGI over \$400,000/\$200,000. These increases end with 2025 tax years. 3. Provides additional \$500 credit for dependents not qualified for child credit. <p><u>Relationship to conformity bill:</u></p> <ol style="list-style-type: none"> 1. Committee amendment “ ” (Tipping) to LD 1655 provides nonrefundable \$300 child and dependent credit and increases EITC from 5% to 15% of the federal EITC. 2. Committee amendment “ ” (Dow) to LD 1655 provides a nonrefundable \$500 child and dependent credit and makes no changes to EITC. 			
1765	2635	1/30	2/5	Parry	An Act To Provide a Source of Revenue To Preserve the Integrity of Maine's Transportation Infrastructure	<p>This bill requires the following transfers of a portion of sales tax revenue from the sale of motor vehicles and motor vehicle-related items:</p> <ol style="list-style-type: none"> 1. 10% of the revenue to the Highway Fund and 2. 2% of the revenue to the Multimodal Transportation Fund. <p>*Motor vehicle-related items include, but are not limited to tires, batteries and motor oil.*</p>	ONTP/ OTPA		
1781	2789	1/30	2/8 2/20	DeChant	An Act To Encourage New Major Investments in Shipbuilding Facilities	<p>Current law: A qualifying shipbuilding facility may apply for</p>	OTPA/ ONTP		

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			2/27 3/6		and the Preservation of Jobs	<p>certification by DECD to receive a <u>credit against IT withholding liability</u> for 20 years beginning in 1999. Applicant must (at time of application)</p> <ol style="list-style-type: none"> 1. Have full time <u>6500 employees</u>, with a retirement program, group health insurance and income greater than statewide average per capita. 2. Own and operate shipbuilding facility 3. Must propose to make <u>\$200,000,000</u> qualified investment in facility and 4. <u>Be not eligible for ETIF</u> <p>Annual credit is <u>\$3,000,000</u> but may be accelerated or decelerated based on number of employees. total credits may not exceed \$60,000,000. Benefit expires 12/31/18. Portion of benefits <u>recaptured</u> if full investment is not made in 10 years. Qualified applicant must agree to give <u>preference to Maine workers, companies and bidders</u> if meet standards and are competitively priced.</p> <p>Bill: A qualified shipbuilding facility may apply to be certified by DECD for a <u>refundable income tax credit</u> for 20 years beginning in 2020. Applicant must (at time of application)</p> <ol style="list-style-type: none"> 1. Have full time <u>5000 employees</u>, with a retirement program, group health insurance and income greater than statewide average per capita. 2. own and operate a shipbuilding facility 3. Must propose to make at least <u>\$100,000,000 qualifying investment</u> not qualifying under previous benefit <p>Annual credit is <u>3% of qualified investment</u> but may be accelerated or decelerated based on number of employees. Total credits may not exceed \$60,000,000. Benefit expires 12/31/39. Portion of benefits <u>recaptured</u> if full investment is not made in 10 years.</p> <p>2/8/Work session: Proposed Committee amendment (DeChant)</p> <ol style="list-style-type: none"> 1. Separates credit into 2 10-year rounds of eligible investment of \$100,000,000 for each round. 2. Makes credit nonrefundable (may be carried 			

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						<p>forward 10 years)</p> <p>3. Adds reporting language and evaluation parameters for OPEGA tax expenditure process</p> <p>2/20 Work session: Revised proposed Committee amendment (BIW)</p> <p>1. Removes carryforward provisions 2. Some MRS technical concerns addressed. 3. Removes requirement to report production and non-production employee data separately.</p> <p>OTPA (BB) motion on table</p>			
1796	2833	2/13	2/13	Tipping	An Act To Improve the Effectiveness of the New Markets Capital Investment Credit	<p>TAX Committee bill:</p> <p>This bill implements the recommendation of the tax expenditure report of the Joint Standing Committee 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."</p> <p>The language in this bill places in statute language adopted by the Finance Authority of Maine in rules adopted with regard to the new markets credit.</p>	OTP fno		
1805	2771	2/13	2/20	Dow	An Act To Amend the Maine Tax Laws	<p>DAFS bill:</p> <p>This bill does the following:</p> <p>Part A makes changes to the sales tax law.</p> <p>1. The bill expands the provision for sellers</p>	OTPA		

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						<p>required to register to collect and report sales taxes to include <u>online real property rental platforms</u> and those engaged in the <u>facilitation of the rental of living quarters</u>. These changes are similar to <u>changes proposed in LD 1721</u> previously voted (unanimous OTPA) but LD 1721 did not include some changes recommended by the administration that are included in LD 1805.</p> <p>2. Sec. A-8 <u>reorganizes 36 MRSA §1811</u> which is the <u>section of the sales tax law that specifies the tax rates</u> for various categories of sales.</p> <p>Part B makes changes to the <u>insurance premium tax</u>:</p> <ol style="list-style-type: none"> 1. <u>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</u>. The provision is similar to that provided with respect to income tax refund claims; and 2. <u>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</u>. The provision is similar to that provided with respect to income tax refund claims. <p>Part C makes changes to the <u>income tax</u>:</p> <ol style="list-style-type: none"> 1. <u>Allows the subtraction of pick-up contributions distributed to the taxpayer by the MePERS in the form of a rollover from taxable income within 3 years beginning with the year of the rollover</u>. The change applies to tax years beginning on or after January 1, 2018. <u>This provision was included in 2017 in DAFS bill, LD 1247 which was approved unanimously by TAX and died on the Appropriations Table</u>. 2. <u>Makes the credit for homestead modifications available in the tax year during which the certification of eligibility is made</u>. 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 			

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						<p>change applies to tax years beginning on or after January 1, 2018;</p> <p>Part D makes changes to the tax credit for <u>major business HQ expansions</u>. It:</p> <ol style="list-style-type: none"> 1. <u>Clarifies that the information</u> regarding revenue loss attributable to the tax credit reported by the State Tax Assessor to TAX is <u>not confidential</u> taxpayer information. (and corrects numbering conflict). 2. <u>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;</u> 3. Clarifies that the credit is available <u>only to a certified applicant who has received a certificate of completion;</u> 4. <u>Clarifies that the required job threshold calculation includes the tax year for which the credit is currently being claimed,</u> in addition to the tax years for which the credit has been claimed; 5. <u>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 standard collection and enforcement provisions;</u> 6. <u>Provides that,</u> when determining the number of employees for eligibility for the credit, <u>employees who are shifted to a qualified applicant's headquarters from an affiliated business in the State are not counted;</u> 7. <u>Removes the requirement that the DECD report to TAX aggregate data on employment levels and qualified investment amounts</u> of certified applicants for each year; 8. <u>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;</u> 9. <u>Defines the term "revenue loss"</u> for the purposes of the State Tax Assessor's yearly reporting requirement and the confidentiality exception applying to the report; and 10. <u>Adds rule-making authority for the commissioner and the State Tax Assessor;</u> 			

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						<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 UT property tax foreclosure process with the municipal tax lien foreclosure process retroactively to October 1, 1935. It:</p> <ol style="list-style-type: none"> 1. Authorizes the State Tax Assessor to issue a discharge of a tax lien mortgage on real estate after the prior owner's right of redemption has expired, unless the State has conveyed any interest based upon the title acquired from the affected lien; 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 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. <p>Part G makes a change to the new markets credit: It repeals a provision requiring the Commissioner of DAFS to enter into a memorandum of agreement. The memorandum is a nonbinding document with no substantive legal effect.</p>			
1844	2867			Jackson	An Act To Provide the State the Right of First Refusal for the Purchase of Certain Land on Which a Subsidy Has Been Paid	This bill requires the owner of a parcel of land that is at least 2,500 acres and that is enrolled in the Maine Tree Growth Tax Law program or is subject to the farm and open space tax law who receives an offer from a person who is not a resident of the United States to buy that parcel of land, prior to accepting the offer, to provide the State with notice of the offer. The State has 30 days to purchase the parcel of land at the price offered to the owner. If the State does not exercise its right to purchase the parcel of land, the owner may sell the parcel of land but at no less than the price offered to the State. If the State exercises its right to purchase the property, notwithstanding any provision of law to the contrary, the State is required to pay the taxes		REFERRED TO ACF	

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						assessed on that property to the assessing authority.			
1862	2955	3/20	3/20	Tipping	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2018-19	This bill establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.	OTPA		
1882	2987			Pouliot	An Act To Exempt from Taxation Sales to Certain Nonprofit Organizations Supporting Veterans	<p>This bill expands the sales tax exemption for incorporated nonprofit organizations organized for the purpose of providing direct supportive services in the State to certain veterans and their families to include veterans with combat injuries.</p> <p>This bill is the same as the Committee amendment on LD 782 from the 1st Reg. session that died on the Appropriations Table.</p> <p>Estimated fiscal GF impact first full year(LD 782): (\$75,705)</p> <p>Current law: 2 ST exemption for vets orgs</p> <ol style="list-style-type: none"> 501 (c)(3) orgs that provide supportive services to vets and their families living with PTSD or TBI. federally chartered orgs recognized by US Dept. of Veterans Affairs that provide services for veterans and their families <p>Language RE: 501 (c)(3) orgs also in SPT exemptions.</p>			
1891	2983			Cushing	An Act To Improve Compliance with the Maine Tree Growth Tax Law	<p>This bill makes the following changes to the Maine Tree Growth Tax Law.</p> <ol style="list-style-type: none"> It authorizes the <u>Bureau of Forestry to review</u> certain parcels of land classified under TGTL to determine whether the landowner is <u>complying with the requirements of the law</u> and whether the land is being managed in compliance with the forest management and harvest plan for that parcel. The bureau is required to <u>report any noncompliance</u> after a specified period to the assessor. The owner of a parcel found by the forestry bureau to be in noncompliance with the law <u>may apply to reclassify the parcel as farmland or open space</u> under the 			

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						<p>farm and open space tax law.</p> <p>2. It <u>requires the bureau to offer assistance</u> to landowners found in noncompliance.</p> <p>3. It requires the <u>bureau to report</u> every odd-numbered year <u>to TAX Committee</u> summarizing activities under the bill.</p> <p>This bill is substantially the same as a provision contained in LD 1599, which the TAX Committee carried over to the 2nd Reg session and asked a working group to review and report. LD 1599 was voted ONTP this session.</p>			
1903	2996			Dow	An Act To Improve the Effectiveness of the Major Business Headquarters Expansion Tax Credit	<p>This bill makes the following changes to improve the effectiveness of the income tax credit for major business expansions.</p> <p>1. It provides that the number of additional employees that must be added by a certified applicant must be determined based on the number of qualifying employees above the certified applicant's base level of employment.</p> <p>2. It provides that a certificate of completion issued by the Commissioner of Economic and Community Development must state the amount of the qualified investment made by the certified applicant, and it clarifies that the credit is 2% of the lesser of the amount of actual qualified investment specified in the certified applicant's certificate of completion and the amount of qualified investment approved in the certificate of approval.</p> <p>3. It amends reporting requirements and establishes evaluation guidance to improve the future review of the credit under the Maine Revised Statutes, Title 3, chapter 37 by the Office of Program Evaluation and Government Accountability, the joint legislative committee established to oversee program evaluation and government accountability matters and the joint standing committee of the Legislature having jurisdiction over taxation matters.</p> <p>4. It clarifies that, if a certificate of approval has been transferred, the transferee is responsible for any repayment obligations if there is a recapture of credit amounts.</p>			

