

**MAINE BOARD OF TAX APPEALS Z146**

**Initiative:** Reduces funding to align with projected actual operating expenses. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

**GENERAL FUND**

All Other

	2019-20	2020-21
		(20,000)
Total	0	(20,000)

**Summary - GENERAL FUND**

All Other

	2019-20	2020-21
		(20,000)
Total	0	(20,000)

**MANDATE BETE - REIMBURSE MUNICIPALITIES Z065**

**Initiative:** Reduces funding to align with projected actual expenses for reimbursements to municipalities for the cost to implement a state mandate program. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

**GENERAL FUND**

All Other

	2019-20	2020-21
		(1,910)
Total	0	(1,910)

**Summary - GENERAL FUND**

All Other

	2019-20	2020-21
		(1,910)
Total	0	(1,910)

**OFFICE OF THE COMMISSIONER - ADMINISTRATIVE & FINANCIAL SVCS 0718**

**Initiative:** Reduces funding to align with projected actual expenses for travel. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

**GENERAL FUND**

All Other

	2019-20	2020-21
		(600)
Total	0	(600)

**Summary - GENERAL FUND**

All Other

	2019-20	2020-21
		(600)
Total	0	(600)

**REVENUE SERVICES - BUREAU OF 0002**

	2019-20	2020-21
<b>Initiative:</b> Reduces funding to align with projected actual expenses for contracted consulting services. This initiative relates to the curtailments ordered in Financial Order 001152 F1.		
<b>GENERAL FUND</b>		
All Other		(600,200)
Total	0	(600,200)
<b>Initiative:</b> Reduces funding by managing contracted services expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.		
<b>GENERAL FUND</b>		
All Other		(471,206)
Total	0	(471,206)
<b>Initiative:</b> Reduces funding to align with projected actual expenses for contracted temporary staff. This initiative relates to the curtailments ordered in Financial Order 001152 F1.		
<b>GENERAL FUND</b>		
All Other		(197,266)
Total	0	(197,266)
<b>Initiative:</b> Reduces funding to align with projected actual expenses for debt retirement. This initiative relates to the curtailments ordered in Financial Order 001152 F1.		
<b>GENERAL FUND</b>		
All Other		(379,800)
Total	0	(379,800)
<b>Summary - GENERAL FUND</b>		
All Other		(1,648,472)
Total	0	(1,648,472)

**SNOW GROOMING PROPERTY TAX EXEMPTION REIMBURSEMENT 2024**

	2019-20	2020-21
<b>Initiative:</b> Reduces funding for reimbursements to municipalities for 50% of the property tax revenue loss as a result of the exemption for snow grooming equipment registered with the Department of Inland Fisheries and Wildlife. This initiative relates to the curtailments ordered in Financial Order 001152 F1.		
<b>GENERAL FUND</b>		
All Other		(3,000)
Total	0	(3,000)
<b>Summary - GENERAL FUND</b>		
All Other		(3,000)
Total	0	(3,000)

**STATE CONTROLLER - OFFICE OF THE 0056**

	2019-20	2020-21
<b>Initiative:</b> Reduces funding by managing position vacancies within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.		
<b>GENERAL FUND</b>		
Personal Services		(91,000)
Total	0	(91,000)
<b>Summary - GENERAL FUND</b>		
Personal Services		(91,000)
Total	0	(91,000)

Administrative and Financial Services, Department of

**STATEWIDE RADIO NETWORK SYSTEM 0112**

**Initiative:** Reduces funding to align with projected actual expenses for debt service. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

**GENERAL FUND**  
All Other

	2019-20	2020-21
		(2,275,421)
<b>Total</b>	<b>0</b>	<b>(2,275,421)</b>

**Summary - GENERAL FUND**  
All Other

	2019-20	2020-21
		(2,275,421)
<b>Total</b>	<b>0</b>	<b>(2,275,421)</b>

**WASTE FACILITY TAX REIMBURSEMENT 0907**

**Initiative:** Reduces funding to align with projected actual expenses for reimbursement to municipalities for 50% of the loss on property tax revenue resulting from exemptions granted in Title 36, §656.1, J. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

**GENERAL FUND**  
All Other

	2019-20	2020-21
		(1,219)
<b>Total</b>	<b>0</b>	<b>(1,219)</b>

**Summary - GENERAL FUND**  
All Other

	2019-20	2020-21
		(1,219)
<b>Total</b>	<b>0</b>	<b>(1,219)</b>

**Total Agency/Department**

All Funds	(1,231,270)
<b>GENERAL FUND</b>	<b>(1,231,270)</b>

**An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2021**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** the 90-day period may not terminate until after the beginning of the next fiscal year; and

**Whereas,** certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

**Be it enacted by the People of the State of Maine as follows:**

**PART A**

**Sec. A-1. Appropriations and allocations.** In order to provide for the necessary expenditures of State Government and other purposes for the fiscal year ending June 30, 2021, the following sums as designated in the following tabulations are appropriated or allocated out of money not otherwise appropriated or allocated.

**PART B**

**Sec. B-1. 36 MRSA §111, sub-§1-A,** as amended by PL 2019, c. 616, §X-1, is further amended to read:

**1-A. Code.** "Code" means the United States Internal Revenue Code of 1986 and amendments to that Code as of December 31, ~~2019~~ 2020.

**Sec. B-2. Application.** This Part applies to tax years beginning on or after January 1, 2018 and to any prior tax year as specifically provided by the United States Internal Revenue Code of 1986 and amendments to that Code as of December 31, 2020.

**PART B  
SUMMARY**

This Part 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, 2020, for tax years beginning on or after January 1, 2018 and

for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended.

### Part C

**Sec. C-1. 20-A MRSA §15671, sub-§7, ¶B**, as amended by PL 2019 c.343, Pt C, §1 is further amended to read:

The annual targets for the state share percentage of the statewide adjusted total cost of the components of essential programs and services are as follows.

- (1) For fiscal year 2005-06, the target is 52.60%.
- (2) For fiscal year 2006-07, the target is 53.86%.
- (3) For fiscal year 2007-08, the target is 53.51%.
- (4) For fiscal year 2008-09, the target is 52.52%.
- (5) For fiscal year 2009-10, the target is 48.93%.
- (6) For fiscal year 2010-11, the target is 45.84%.
- (7) For fiscal year 2011-12, the target is 46.02%.
- (8) For fiscal year 2012-13, the target is 45.87%.
- (9) For fiscal year 2013-14, the target is 47.29%.
- (10) For fiscal year 2014-15, the target is 46.80%.
- (11) For fiscal year 2015-16, the target is 47.54%.
- (12) For fiscal year 2016-17, the target is 48.14%.
- (13) For fiscal year 2017-18, the target is 49.14%.
- (14) For fiscal year 2018-19, the target is 49.77%.
- (15) For fiscal year 2019-20, the target is 50.78%.
- (16) For fiscal year 2020-21, the target is ~~51.78%~~ 51.83%.

**Sec. C-2. 20-A MRSA §15671-A, sub-§2, ¶B**, as amended by PL 2019, c. 343, §3 is further amended to read:

The commissioner shall calculate the full-value education mill rate that is required to raise the statewide total local share. The full-value education mill rate is calculated for each fiscal year by dividing the applicable statewide total local share by the applicable statewide valuation. The full-value education mill rate must be applied according to section 15688, subsection 3-A, paragraph A to determine a municipality's local cost share expectation.

- (1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 47.4% statewide total local share in fiscal year 2005-06.

2. Revises the total cost of education from kindergarten to grade 12, the state contribution, and the annual target state share percentage for fiscal year 2020-2021.

## PART D

**Sec. D-1. 36 MRSA §5122, sub-§ 1, ¶MM** is enacted to read:

MM. For each taxable year beginning after December 31, 2017 and before January 1, 2021, an amount equal to the taxpayer's excess business loss for the taxable year determined under the Code, section 461(l) applying subsection (1)(B) of that section to the calculation for the tax year, reduced by any amount of the loss included in Maine taxable income for a prior tax year pursuant to paragraph H of this subsection.

**Sec. D-2. 36 MRSA §5122, sub-§2, ¶UU** is enacted to read:

UU. An amount equal to the value of any prior year addition modification under subsection 1, paragraph MM, but only to the extent that:

- (1) Maine taxable income is not reduced below zero;
- (2) The amount has not been previously used as a modification pursuant to this paragraph or otherwise used to reduce Maine taxable income; and
- (3) The taxpayer does not include the amount in computing any net operating loss carryback or carryover pursuant to the Code, section 172, for federal income tax purposes.

## PART D SUMMARY

This Part requires an addition modification for federal excess business losses allowed to non-corporate taxpayers pursuant to the CARES Act for taxable years beginning after December 31, 2017 and before January 1, 2021 and a subtraction modification for the carryover and subtraction of this amount in future years.

## PART E

**Sec. E-1. 36 MRSA §5122, sub-§1, ¶NN** is enacted to read:

NN. For taxable years beginning on or after January 1, 2019 and before January 1, 2021, the amount of the taxpayer's federal business interest deduction for the taxable year that exceeds the limitation for such deduction contained in the Code, section 163(j) applying a rate of 30 percent to adjusted taxable income for the purposes of the Code, section 163(j)(1)(B) without regard to the special rule described in the Code, section 163(j)(10)(A)(i).

**Sec. E-2. 36 MRSA §5122, sub-§2, ¶VV** is enacted to read:

VV. For taxable years beginning on or after January 1, 2021, an amount equal to the value of any prior year addition modification under subsection 1, paragraph NN, but only to the extent that:

- (1) Maine taxable income is not reduced below zero;
- (2) No more than 25% of the amount is used as a modification in any taxable year; and
- (3) The amount has not been previously used as a modification pursuant to this paragraph or otherwise used to reduce Maine taxable income.

**Sec. E-3. 36 MRSA §5200-A, sub-§1, ¶GG** is enacted to read:

GG. For taxable years beginning on or after January 1, 2019 and before January 1, 2021, the amount of the taxpayer's federal business interest deduction for the taxable year that exceeds the limitation for such deduction contained in the Code, section 163(j) applying a rate of 30 percent to adjusted taxable income for the purposes of the Code, section 163(j)(1)(B) without regard to the special rule described in the Code, section 163(j)(10)(A)(i).

**Sec. E-4. 36 MRSA §5200-A, sub-§2, ¶HH** is enacted to read:

HH. For taxable years beginning on or after January 1, 2021, an amount equal to the value of any prior year addition modification under subsection 1, paragraph GG, but only to the extent that:

- (1) Maine taxable income is not reduced below zero;
- (2) No more than 25% of the amount is used as a modification in any taxable year; and
- (3) The amount has not been previously used as a modification pursuant to this paragraph or otherwise used to reduce Maine taxable income.

## **PART E SUMMARY**

This Part requires an addition modification of the federal business interest deduction that exceeds 30% of adjusted taxable income pursuant to the CARES Act for taxable years beginning after December 31, 2018 and before January 1, 2021 and a subtraction modification for the carryover and subtraction of this amount in tax years beginning on or after January 1, 2021.

## PART F

**Sec. F-1. 36 MRSA §5219-NN, sub-§2**, as repealed and replaced by PL 2017, c. 211, Pt. D, §8, is amended to read:

**2. Certain property excluded.** The following property is not eligible for the credit under this section:

A. Property owned by a public utility as defined by Title 35-A, section 102, subsection 13;

B. Property owned by a person that provides radio paging services as defined by Title 35-A, section 102, subsection 15;

C. Property owned by a person that provides mobile telecommunications services as defined by Title 35-A, section 102, subsection 9-A;

D. Property owned by a cable television company as defined by Title 30-A, section 2001, subsection 2;

E. Property owned by a person that provides satellite-based direct television broadcast services;

F. Property owned by a person that provides multichannel, multipoint television distribution services; and

G. Property that is not in service in the State for the entire 12-month period following the date it is placed in service in the State; and

H. Qualified improvement property, as that term is defined in the Code, section 168(e)(6), placed in service after December 31, 2017 and prior to January 1, 2020.

## PART F SUMMARY

This Part excludes qualified improvement property placed in service after December 31, 2017 and prior to January 1, 2020 from the Maine Capital Investment Credit.

## PART G

**Sec. G-1. 36 MRSA §5200-A, sub-§1, ¶HH**, is enacted to read:

HH. For taxable years beginning after January 1, 2019 and before January 1, 2020, an amount equal to the difference between the taxpayer's charitable deduction as determined under the Code, section 170 excluding application of the amendments made by section 2205 of the federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, and the taxpayer's charitable deduction as determined under the Code, section 170 applying the amendments of federal Public Law 116-136, section 2205.



**Sec. G-2. 36 MRSA §5200-A, sub-§2, ¶II**, is enacted to read:

II. For taxable years beginning after January 1, 2020 and before January 1, 2025, an amount equal to the amount by which federal taxable income was increased under subsection 1, paragraph HH, but only to the extent that:

(1) Maine taxable income is not reduced below zero; and

(2) The amount has not been previously used as a modification pursuant to this paragraph or otherwise used to reduce Maine taxable income.

#### **PART G SUMMARY**

This Part requires an addition modification for the additional charitable contribution deduction allowed to corporations pursuant to the CARES Act for taxable years beginning after January 1, 2019 and before January 1, 2020 and a subtraction modification for the carryover and subtraction of this amount in future years.

#### **PART H**

**Sec. H-1. 36 MRSA §5122, sub-§1, ¶LL**, as corrected by RR 2019, c. 1, Pt. A, §68, is repealed.

**Sec. H-2. 36 MRSA §5122, sub-§2, ¶TT**, as reallocated by RR 2019, c. 1, Pt. A, §69, is repealed.

**Sec. H-3. 36 MRSA §5200-A, sub-§1, ¶DD**, as corrected by RR 2019, c. 1, Pt. A, §72, is repealed.

**Sec. H-4. 36 MRSA §5200-A, sub-§2, ¶GG**, as reallocated by RR 2019, c. 1, Pt. A, §73, is repealed.

**Sec. H-5. Application; retroactivity.** This Part applies retroactively to tax years beginning on or after January 1, 2018.

#### **PART H SUMMARY**

This Part updates and simplifies Maine income tax law by conforming the Maine income tax with the federal net operating loss (NOL) limitation, generally known as the “80-percent taxable income limitation”, and the CARES Act suspension of the limitation. This Part, as well as Maine’s conformity to the CARES Act NOL limitation suspension in Part B, apply retroactively to tax years beginning on or after January 1, 2018. Under the provision, the 80-percent taxable income limitation would apply to tax years beginning after 2020.

## PART I

**Sec. I-1. Credit for income tax paid to other taxing jurisdictions.** For tax years beginning in 2020, when determining whether compensation for personal services performed as an employee teleworking from a location in Maine shall be treated as derived from sources in another jurisdiction for purposes of the credit for income tax paid to other taxing jurisdictions, allowed pursuant to Maine Revised Statutes, Title 36, section 5217-A, the compensation is sourced to that jurisdiction, notwithstanding section 5142, if:

1. The employee was engaged in performing services from a location outside of Maine immediately prior to a COVID-19 state of emergency declared by either Maine or the state where the employee was engaged in performing said services;
2. The employee commenced working remotely from Maine due to the COVID-19 pandemic and during either state's state of emergency;
3. The services were performed prior to January 1<sup>st</sup>, 2021 and during either jurisdiction's state of emergency;
4. The compensation is sourced by that jurisdiction as derived from or connected with sources in that jurisdiction under the law of that jurisdiction; and
5. The employee does not qualify for an income tax credit in that jurisdiction for Maine income taxes paid as a result of the compensation.

**Sec. I-2. Educational opportunity tax credit.** For tax years beginning in 2020, for purposes of the educational opportunity tax credit allowed pursuant to the Maine Revised Statutes, Title 36, section 5217-D, a qualified individual that worked in this State immediately prior to, or at any point during, the Maine COVID-19 state of emergency is deemed to have worked in this State for the entire state of emergency.

## PART I SUMMARY

Section 1 of this Part temporarily expands the Maine credit for taxes paid to another jurisdiction in order to provide relief to Maine resident taxpayers who are being taxed by both Maine and another jurisdiction on compensation earned in Maine as a result of teleworking in Maine due to the COVID-19 state of emergency, even though that income is not derived from or connected with sources in that other taxing jurisdiction within the meaning of section 5142. The expanded credit applies only in situations where the taxpayer worked in the other jurisdiction immediately prior to the COVID-19 state of emergency declaration (either by Maine or the other jurisdiction), started working remotely in Maine at any time during the COVID-19 state of emergency, and performed the services in Maine in 2020 during the period of the COVID-19 state of emergency. To qualify for the expanded credit, the compensation must be sourced to the other jurisdiction under the laws and regulations of that other jurisdiction. Finally, the expanded credit

does not apply if the laws of the other jurisdiction provides a credit for taxes paid to Maine on that income.

Section 2 of this Part relaxes the work in Maine requirement of the educational opportunity tax credit by deeming a qualified individual that worked in this State immediately prior to, or at any point during, the Maine COVID-19 state of emergency to have worked in this State for the entire state of emergency.

## PART J

**Sec. J-1. Department of Administrative and Financial Services; lease-purchase authorization.** Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, in cooperation with the Treasurer of State, may enter into financing agreements in fiscal years 2020-21, 2021-22 and 2022-23 for the acquisition, licensing, installation, implementation, maintenance and support of computer hardware, software and other systems development of a human resources and payroll system within the Central Administrative Applications account. The financing agreements entered into in each fiscal year may not exceed \$8,000,000 in principal costs, and a financing agreement may not exceed 7 years in duration. The interest rate may not exceed 5%. The annual principal and interest costs must be paid from the appropriate line category allocations in the Central Administrative Applications account.

## PART J SUMMARY

This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2020-2021, 2021-22 and 2022-23 for the acquisition, licensing, installation, implementation, maintenance and support of computer hardware, software and other systems development of a human resources and payroll system within the Central Administrative Applications account.

## PART K

**Sec. K-1. PL 2019, c.343, Part O is amended to read:**

**Department of Administrative and Financial Services; financial agreement authorization; system requirements.** Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, Office of Information Technology and the Bureau of Revenue Services may enter into financial agreements on or after July 1, ~~2019~~ 2020, with debt service commencing on or after July 1, ~~2021~~ 2023, for the acquisition, licensing, installation, implementation, maintenance and support of computer hardware, software and other systems to support the operations of the tax collection system of the Bureau of Revenue Services. The financial agreements may not collectively exceed ~~7~~ 10 years in duration and \$46,400,000 in principal costs. The annual interest rate may not exceed 7%. Annual principal and interest costs must be paid from the Bureau of Revenue Services program accounts in the Department of Administrative and Financial Services. The hardware, software and other systems acquired to

support the operations of Bureau of Revenue Services tax administration must be capable of collecting data that facilitates evaluation of tax expenditures conducted for the purpose of legislative oversight of those programs.

### **PART K SUMMARY**

This Part extends the time to repay the financial agreement authorized by PL 2019, c. 343, Part O.

### **PART L**

**Sec. L-1. Transfer from General Fund unappropriated surplus; Maine Budget Stabilization Fund.** Notwithstanding any provision of law to the contrary, the State Controller shall transfer \$41,000,000 during fiscal year 2020-21 from the General Fund unappropriated surplus to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532.

### **PART L SUMMARY**

This Part requires the transfer of \$41,000,000 in fiscal year 2020-21 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.

### **PART M**

**Sec. M-1. 10 MRSA §1020, sub-§2, ¶D,** as amended by PL 2009, c. 434, §1 and affected by §84, is further amended to read:

D. All revenue received from the State Tax Assessor pursuant to former subsection 6 and former subsection 6-A.

**Sec. M-2. 10 MRSA §1020, sub-§6-A,** as repealed and replaced by PL 2011, c. 211, §5 and affected by §27, is repealed.

**Sec. M-3. 10 MRSA §1020-B,** as amended by PL 2011, c. 211, §13, is repealed.

**Sec. M-4. 10 MRSA §1020-C, sub-§1, ¶A,** as amended by PL 2011, c. 548, §1 and affected by §36, is further amended to read:

A. "Eligible dealer" means a motor vehicle oil dealer that has sold or distributed motor vehicle oil outside the State on which the motor vehicle oil premium was imposed by section 1020, former subsection 6-A.

**ADMINISTRATION - TREASURY 0022**

**Initiative:** Reduces funding to align with projected actual expenses for banking contract services. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

**GENERAL FUND**  
All Other

	2019-20	2020-21
		(218,934)
<b>Total</b>	<b>0</b>	<b>(218,934)</b>

**Summary - GENERAL FUND**  
All Other

	2019-20	2020-21
		(218,934)
<b>Total</b>	<b>0</b>	<b>(218,934)</b>

**DISPROPORTIONATE TAX BURDEN FUND 0472**

**Initiative:** Adjusts funding for Municipal Revenue Sharing to bring allocations in line with projected available resources for fiscal years 2019-20 and 2020-21.

**OTHER SPECIAL REVENUE FUNDS**  
All Other

	2019-20	2020-21
		1,960,541
<b>Total</b>	<b>0</b>	<b>1,960,541</b>

**Summary - OTHER SPECIAL REVENUE FUNDS**  
All Other

	2019-20	2020-21
		1,960,541
<b>Total</b>	<b>0</b>	<b>1,960,541</b>

**STATE - MUNICIPAL REVENUE SHARING 0020**

**Initiative:** Adjusts funding for Municipal Revenue Sharing to bring allocations in line with projected available resources for fiscal years 2019-20 and 2020-21.

**OTHER SPECIAL REVENUE FUNDS**  
All Other

	2019-20	2020-21
		(20,190,003)
<b>Total</b>	<b>0</b>	<b>(20,190,003)</b>

**Summary - OTHER SPECIAL REVENUE FUNDS**  
All Other

	2019-20	2020-21
		(20,190,003)
<b>Total</b>	<b>0</b>	<b>(20,190,003)</b>

**Total Agency/Department**

All Funds	(18,448,396)
GENERAL FUND	(218,934)
OTHER SPECIAL REVENUE FUNDS	(18,229,462)