

Shaded LDs have been voted on by the Committee

# WS 5/11/21

## TAXATION COMMITTEE

jsj

### 130<sup>th</sup> LEGISLATURE 1st REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
1136	1500	5/6		Harnett	An Act To Promote Fairness in Income Tax Rates by Making Them More Progressive	<p>This bill changes the <u>individual income tax brackets</u> to provide <u>4 brackets</u> rather than <u>3</u>.</p> <p>The bill <u>adds a new bracket of 10.15% on taxable income exceeding</u></p> <ol style="list-style-type: none"> <li>\$100,000 for single individuals and married persons filing separately,</li> <li>\$150,000 for heads of households and</li> <li>\$200,000 for individuals filing married joint returns and surviving spouses.</li> </ol>		MRS preliminary fiscal impact	
								Admin costs	Can be absorbed
								Revenue impact	Not available
1140	274	5/5		Corey	An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices	<p>This bill establishes a <u>sales tax exemption</u> for a <u>safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms</u>.</p> <p><u>5/5 WS voted OTPA (fno)</u></p> <p><u>Request to reconsider???</u></p>	OTPA	MRS preliminary fiscal impact	
								Did not provide testimony	
1289	640	5/6		Perry	An Act To Cut Property Taxes for Maine Residential Homeowners	<p>This bill creates a <u>new income tax rate of 7.95%</u> for tax years beginning on or after January 1, 2022 for income exceeding</p> <ol style="list-style-type: none"> <li>\$300,000 for single individuals</li> <li>\$450,000 for individuals filing as HoH and</li> <li>\$600,000 for MJ</li> </ol> <p>The bill also <u>increases the homestead property tax exemption</u> from \$25,000 in 2021 to</p> <p>\$35,000 in 2022, \$45,000 in 2023 and \$55,000 in 2024 and after</p>		MRS preliminary fiscal impact	
								Not available at this time	

<sup>1</sup> . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT <sup>1</sup>	
								FY22	FY23
1342	559	5/5		Sylvester	An Act To Authorize a Local Option Sales Tax on Lodging and Other Goods and Provide Funding for Tax Abatement and Rental Relief	<p>This bill allows a municipality to impose a <u>local option sales tax</u> of 1% on lodging that is currently that is currently subject to the sales and use tax if approved by referendum of the voters in that municipality.</p> <p>Revenue is distributed as follows:</p> <ol style="list-style-type: none"> <li>1. 90% is distributed to the <u>municipality</u> imposing the local option sales tax.</li> <li>2. 10% is distributed to the <u>Maine State Housing Authority</u>, which is required to establish a program of <u>property tax relief and rent relief for municipalities using the revenue.</u></li> </ol> <p>Revenue received by a municipality <u>may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.</u></p> <p>The local option sales tax may not take effect before July 1, 2022.</p> <p><u>Sponsor proposed committee amendment:</u> Allow municipalities to impose the tax on "<u>other goods</u>" if approved at <u>referendum by 60% of votes.</u></p> <p>Bill title refers to "<u>Abatement.</u>" Bill does not address abatement.</p> <p><u>MRS has significant concerns:</u></p> <ol style="list-style-type: none"> <li>1. Admin time</li> <li>2. Admin cost</li> <li>3. Potential legal concerns</li> </ol>		MRS preliminary fiscal impact Admin costs: Could be as much as \$5,000,000	
1362	208	5/5		Davis	An Act To Excuse Certain Marketplace Sellers and Facilitators for Failing To Collect and Remit Sales and Use Taxes on Ammunition Sales	<p>This bill provides that</p> <ol style="list-style-type: none"> <li>1. A <u>marketplace facilitator or marketplace seller</u></li> <li>2. That <u>sold ammunition</u> to residents of the State</li> <li>3. <u>Between July 1, 2018 and September 1, 2021</u></li> </ol> <p><u>May not be assessed interest or penalties due to untimely payments if it remits the taxes owed to the State no later than October 31, 2021.</u></p> <p><u>MRS has concerns.</u> Has "voluntary disclosure program"</p>		MRS Preliminary fiscal impact May have numbers for WS.	

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								FY22	FY23
1369	1477	5/6		Andrews	An Act To Provide Stimulus for Economic Recovery by Enacting a 5 Percent Flat Income Tax	This bill, for tax years beginning on or after January 1, 2021, <u>replaces the current income tax structure for individual income taxes with a flat 5% tax</u> imposed on all individual Maine residents.		MRS preliminary revenue impact Admin costs: Complicated by effective date 1/1/21 Revenue impact: Not available	
1395	1288	5/5		Connor	An Act To Suspend Meals and Lodging Taxes until 12 Months after the COVID-19 Civil Emergency	This bill provides a sales tax exemption for: <u>1. Prepared food</u> <u>2. Lodging</u> during the state of emergency declared by the Governor due to the COVID-19 pandemic and for <u>one year after that state of emergency is terminated.</u>  MRS has technical concerns		MRS preliminary fiscal impact Admin costs: Cannot be determined at this time Revenue impact: Significant	
1418	1464	5/5		Luchini	An Act To Allow a Local Option Sales Tax on Meals and Lodging	This bill allows a municipality to impose a local option sales tax of no more than 1%, <u>1. may be seasonal,</u> <u>2. on prepared food, not including marijuana or marijuana products, and short-term lodging</u> <u>3. if approved by referendum</u> specifying rate, dates and purposes for which revenue will be used.  <u>Revenue</u> from the local option sales tax is distributed <u>1. 85% to the municipality imposing the tax and</u>  <u>2. 15% to all other municipalities.</u>  <u>Revenue received by a municipality must be used as provided in the referendum and may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.</u>  MRS has significant concerns: <u>1. Admin time</u> <u>2. Admin cost</u> <u>3. Potential legal concerns</u>		MRS preliminary fiscal impact Admin costs: Could be as much as \$5,000,000	

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1443	1756	5/6		Collings	An Act Regarding Higher Income Tax Levels	<p>This bill establishes 5 new income tax brackets for income exceeding \$100,000 for persons filing as single individuals or married individuals filing separately, \$150,000 for individuals filing as head of household and \$200,000 for individuals filing married joint returns or surviving spouses.</p> <p><u>New single brackets begin at:</u></p> <table> <tr> <td>\$100,000</td> <td>9.15%</td> </tr> <tr> <td>\$250,000</td> <td>10.15%</td> </tr> <tr> <td>\$500,000</td> <td>11.15%</td> </tr> <tr> <td>\$1,000,000</td> <td>12.15%</td> </tr> <tr> <td>\$10,000,000</td> <td>13.15%</td> </tr> </table> <p>(For MJ multiply amount by 2, For HoH multiply by 1.5.)</p>	\$100,000	9.15%	\$250,000	10.15%	\$500,000	11.15%	\$1,000,000	12.15%	\$10,000,000	13.15%		<p>MRS preliminary fiscal impact</p> <p>Admin costs          Can be absorbed</p> <p>Revenue impact      Not available</p>
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\$10,000,000	13.15%																	
1500	1697	5/6		Lookner	An Act To Bring Equity to Maine's Tax Law by Adjusting Certain Individual Income Tax Rates	<p>This bill increases the number of individual income tax brackets beginning 1/1/21 from 3 to 4. The bill adds a new bracket of 12.4% on taxable income exceeding</p> <ol style="list-style-type: none"> <li>\$200,000 for single individuals and married persons filing separately, \$</li> <li>300,000 for heads of households and</li> <li>\$400,000 for individuals filing married joint returns and surviving spouses.</li> </ol>		<p>MRS preliminary fiscal impact</p> <p>Admin costs          Can be absorbed</p> <p>Revenue impact      Not available</p>										

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