

TAXATION COMMITTEE

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**130th 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 ¹	
								FY22	FY23
147	109			Terry	An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes and Amend Income Tax Modifications and the Maine Capital Investments Tax Credit	<p>Bill submitted by DAFS:</p> <p>The bill does the following.</p> <p>Part A <u>updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes</u>, 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.</p> <p>Part B requires an addition modification for taxable income for income tax purposes for <u>federal excess business losses</u> allowed to noncorporate taxpayers pursuant to the Coronavirus Aid, Relief, and Economic Security Act, or "CARES Act," for taxable years beginning after December 31, 2017 and before January 1, 2021 and a subtraction modification for the carry-over of this amount in future years.</p> <p>Part C requires an addition modification for taxable income for income tax purposes of the <u>federal business interest deduction</u> that exceeds 30% of adjusted taxable income pursuant to the CARES Act for taxable years beginning on or after January 1, 2019 and before January 1, 2021 and a subtraction modification for the carry-over of this amount in tax years beginning on or after January 1, 2021.</p> <p>Part D excludes <u>qualified improvement property</u> placed in service after December 31, 2017 and prior to January</p>			

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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						<p>1, 2020 from the Maine capital investment income tax credit.</p> <p>Part E requires an addition modification for taxable income for income tax purposes for the <u>additional charitable contribution deduction</u> 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 carry-over of this amount in future years.</p> <p>Part F updates and simplifies Maine income tax law by conforming the Maine income tax with <u>the federal net operating loss limitation</u>, generally known as "the 80% taxable income limitation," and the CARES Act suspension of the limitation. This Part and Maine's conformity to the CARES Act net operating loss limitation suspension in Part A apply retroactively to tax years beginning on or after January 1, 2018. Under Part F, the 80% taxable income limitation applies to tax years beginning after 2020.</p> <p>Part G expands the addition modification for the amount of the <u>global intangible low taxed income deduction</u>. For tax years beginning on or after January 1, 2020, the modification is for the total amount of the foreign-derived intangible income and global intangible low-taxed income deduction claimed in accordance with the Internal Revenue Code, Section 250(a).</p>			
288	551			Dill	An Act To Conform the Maine Income Tax Law with Federal Law To Exempt Paycheck Protection Program Loans from Being Considered Taxable Income	<p>This bill <u>proposes to conform Maine tax law</u> to federal income tax treatment of loan forgiveness under Section 1106(i) of the federal CARES Act, by providing an income tax exclusion for income attributable to <u>paycheck protection program loan forgiveness</u> that is excluded from federal gross income.</p> <p>This provision was dealt with in the Supplemental budget bill PL 2021, c. 1.</p>			

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290	346			Stewart	An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years	<p>This bill requires a municipality to <u>maintain the property tax on a homestead at the amount billed in the year prior to an application</u> for stabilization if the owner is:</p> <ol style="list-style-type: none"> 1. A <u>permanent resident of the State</u> 2. Who is <u>at least 65 years of age</u> 3. Has <u>owned the homestead for at least 10 years</u> <p>The amount by which the property tax assessed <u>exceeds the stabilized amount must be paid to the municipality by the State.</u></p> <p>If an <u>eligible individual moves to</u> a different municipality, the stabilized property tax <u>amount continues at the new location.</u></p> <p>An <u>application for stabilization must be made each year to continue eligibility.</u></p>			
1209	2011			Terry	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2021-22	<p>This bill establishes <u>municipal cost components</u> for “municipal services” provide by the State and counties in the unorganized territory that would normally be paid for by a municipality.</p> <p>The municipal cost components constitute the basis for the property tax for the unorganized territory.</p>			
1222	246			Black	An Act To Reduce Property Taxes of Seniors in an Amount Equal to the Cost of Education	<p>This bill provides <u>a property tax “exemption”</u> for</p> <ol style="list-style-type: none"> 1. individuals <u>65 years of age or older</u> 2. <u>equal in value to the amount of those taxes the municipality in which the real estate is located would otherwise use to fund its public schools.</u> <p>The bill applies to <u>property tax years beginning on or after April 1, 2021.</u></p> <p><u>Raises constitutional concerns.</u></p>			
1283	1391			Martin	An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access	<p>Beginning 4/1/22, this bill excludes from benefits under the Maine Tree Growth Tax Law a parcel of land to which public access for recreational use is limited or prohibited by the owner</p>			

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1334	1105			Salisbury	An Act To Promote Economic Development through Increased Film Incentives	<p>CURRENT LAW provides:</p> <ol style="list-style-type: none"> 1. <u>Nonrefundable income tax credit</u> equal to 5% of <u>nonwage visual media production expenses</u> (VMPE) if company has more that \$75,000 VMPE. 2. <u>Reimbursement for certified production wages</u>: 12% for wages paid to Maine residents and 10% for wages paid to nonMaine residents. <p>This bill makes <u>multiple changes to the tax credits</u> available to <u>visual media production companies</u> operating in the State.</p> <ol style="list-style-type: none"> 1. The bill makes the available tax credits refundable, 2. increases the credits for certain expenses incurred in Maine and for hiring residents of Maine and 3. offers additional credits for visual media productions that are located in certain Maine counties, are set in Maine or have a lead cast member, writer or director who is a Maine resident. <p>The bill also</p> <ol style="list-style-type: none"> 1. reduces the total expenditures needed to qualify for the credits, 2. extends the time period for visual media production companies to certify with the Department of Economic and Community Development and 3. sets a \$500,000 limit on the total value of the tax credits that increases to \$1,000,000 after January 1, 2026. <p>The bill makes other changes necessary for these provisions.</p>			

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1406	847			Stewart	An Act To Encourage Relocation to Rural Maine	<p>This bill creates a <u>refundable income tax credit</u> for up to 5 years for a <u>person who relocates from a location that is not a rural area to a location that is a rural area</u>.</p> <p>The credit is equal to</p> <ol style="list-style-type: none"> 1. the lesser of the person's <u>property tax bill</u> in the rural area or \$2,000 plus 2. lesser of the persons <u>Internet connectivity expenses</u> or \$1,000. <p>The credit may be claimed for a total of 5 years for a person who moves from outside a rural area to a residence within a <u>rural area, defined as Aroostook County, Somerset County, Piscataquis County and Washington County</u>.</p> <p>Credit begins with 1/1/22 tax years.</p>			
1514	935			Lookner	An Act To Provide for Fairness in Property Taxation by Assessing a One-time Tax on Financial Assets	<p>This bill establishes a <u>one-time tax on any person owning financial assets, including cash and cash equivalents, securities and other financial instruments, with a fair market value in excess of \$5,000,000</u>.</p> <p>The <u>tax is equal to 0.5% of the amount by which the fair market value of a person's financial assets exceeds \$5,000,000</u></p> <p>TP files statement; the <u>State Tax Assessor determines the amount of tax due</u>, enforces the collection of the tax and may adopt routine technical rules necessary to administer and enforce the tax.</p> <p><u>Distribution of revenue:</u></p> <ol style="list-style-type: none"> 1. <u>50% of the receipts from the tax to the Local Government Fund</u> and 2. <u>50% of the receipts from the tax to the Housing Opportunities for Maine Fund</u>. <p>Tax <u>applies only to tax years beginning on 1/1/21</u>.</p>			

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1598	1695			Terry	An Act To Eliminate Taxpayer Subsidies for Discriminatory Employers	<p>This bill provides that <u>persons that violate laws against discrimination or certain labor laws are not eligible for state financial assistance.</u></p> <p><u>Exclusions apply for violation of:</u></p> <ol style="list-style-type: none"> 1. Maine Human Rights Act 2. Employment Practices under the Department of Labor 3. Federal civil rights law US EEOC 4. Fair Labor Standards Act US DOL <p><u>Excluded benefits include:</u></p> <ol style="list-style-type: none"> 1. Prohibition on receiving State grants if found to have engaged in discriminatory practices. 2. Excluded from BETE 3. Excluded from eligibility for income tax credits 4. Excluded from BETR 			

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