

**TAXATION COMMITTEE**  
MLS 5/25/2021 3:01 PM

**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 <sup>1</sup>	
								FY22	FY23
262	658	3/18	3/25	Roberts	An Act To Combat Hunger by Creating a Tax Credit of 10 Percent of Wholesale Market Prices up to \$5,000 Annually for Businesses Engaged in Food Production for Donations of Food to Tax-exempt Organizations –	This bill provides an income tax credit for donations: 1. Of agricultural products, aquacultural products or fishing products 2. By persons engaged in commercial agricultural production, commercial aquacultural production or commercial fishing 3. To a food bank, food kitchen or other tax exempt organization that provides food to low-income individuals without charging a fee for the food or requiring any other type of compensation from the low-income individuals.  The credit is equal to 10% of the wholesale market price of the donated products up to a maximum credit of \$5,000.  MRS technical concerns; need for clarification.	tabled	Preliminary MRS estimate  Admin costs \$33,000  Revenue loss: no estimate	
501	1123	3/9	3/18	Brooks	An Act To Amend Maine's Corporate Income Tax by Increasing the Top Rate from 8.93 Percent to 12.4 Percent	This bill increases the income tax rate on corporations in the top income tax bracket from 8.93% to 12.4% for tax years beginning on or after January 1, 2022.  Current corporate IT rates: \$0 to \$350,000 3.5% \$350,000 to \$1,050,000 7.93% \$1,050,000 to \$3,500,000 8.33% \$3,500,000 and over 8.93%  Corporate IT rates proposed by bill: \$0 to \$350,000 3.5% \$350,000 to \$1,050,000 7.93% \$1,050,000 to \$3,500,000 8.33% \$3,500,000 and over 12.4%	tabled	MRS preliminary estimate  Revenue increase: \$75,000,000/year  Admin costs: Nominal, can be absorbed	

<sup>1</sup> . 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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1382	1686	5/13		Collings	An Act To Invest in Maine's Roads and Bridges	<p>Link to Tax Foundation list of corporate income tax rates for all states.  <a href="https://taxfoundation.org/publications/state-corporate-income-tax-rates-and-brackets/">https://taxfoundation.org/publications/state-corporate-income-tax-rates-and-brackets/</a></p> <p>3/18 Tabled for further discussion</p> <p><u>CURRENT LAW:</u>  gas tax 30¢ per gallon  diesel 31.2¢ per gallon  All fuel taxes go to Highway Fund and must be used for roads and bridges and traffic enforcement.</p> <p>This bill <u>increases fuel taxes by:</u>  4¢/gallon beginning October 1, 2021,  an additional 3¢/gallon beginning 10/1/22,  an additional 3¢/gallon beginning 10/1/23 and an additional 2¢/gallon beginning 10/1/24.</p> <p>The bill also establishes a refundable income tax credit of \$100 for individuals with <u>FAGI</u> that is lower than the <u>federal poverty level</u>.</p> <p>MRS has technical concerns.</p>	<p>MRS preliminary fiscal impact</p> <p>Admin costs  FY 22 \$76,000  FY 23 \$87,000</p> <p>Revenue impact Not provided</p>		
1423	1104	5/13		McCreight	An Act To Prevent and Reduce Tobacco Use by Ensuring Adequate Funding for Tobacco Use Prevention and Cessation Programs and by Raising the Tax on Tobacco Products and To Provide Funding To Reduce Disparities in Health Outcomes Based on Certain Factors	<p>This bill ensures <u>future funding for the existing Tobacco Prevention and Control Program</u> administered by the Department of Health and Human Services, Bureau of Health may not be less than the lesser of:</p> <ol style="list-style-type: none"> <li>the <u>actual revenue collected on the sales of all tobacco products plus available funds in the Fund for a Healthy Maine</u> or</li> <li>the <u>amount of funding for state tobacco control programs as determined by the US DHHS, Centers for Disease Control and Prevention and recommended for Maine.</u></li> </ol> <p>This bill <u>increases the cigarette tax from \$2.00 per pack of 20 cigarettes to \$4.00 per pack of 20 cigarettes, beginning November 1, 2021.</u> Because the tax on other tobacco products is determined by the tax on cigarettes, this bill, by operation of law, <u>increases the tax on other tobacco products, such as cigars and smokeless</u></p>	<p>MRS preliminary fiscal impact</p> <p>Not provided</p>		

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						<p>Finally, this bill provides funding in fiscal years 2021-22 and 2022-23 to Maine CDCP as follows:</p> <ol style="list-style-type: none"> <li>For the purposes of tobacco use prevention and cessation, \$7,000,000 annually in order to attain the amount of funding recommended by the federal Centers for Disease Control and Prevention; and</li> <li>To allow the center to research, identify and reduce health disparities in health care outcomes based on race, ethnicity, sexual orientation, gender identification, income, educational attainment or geographic location, \$10,000,000 annually, but only for the 2022-2023 biennium.</li> </ol> <p><u>LD 1693 in HHS Committee also increases the tax on cigarettes and tobacco products by the same amount as this bill. Establishes "Trust for a Healthy Maine."</u></p> <p><u>LD 1693 has not been heard. HHS requested to carry it over.</u></p>			
1514	935	5/12		Lookner	An Act To Provide for Fairness in Property Taxation by Assessing a One-time Tax on Financial Assets	<p>This bill establishes a 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.</p> <p>The 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</p> <p>TP files statement; the State Tax Assessor determines the amount of tax due, 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"> <li>50% of the receipts from the tax to the Local Government Fund and</li> <li>50% of the receipts from the tax to the Housing Opportunities for Maine Fund.</li> </ol>		MRS preliminary fiscal impact	<p>Admin costs: \$100,000+ FY 22</p> <p>Revenue impact Not available</p>

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1524	1459	5/13		Collings	An Act To Amend the Maine Exclusion Amount in the Estate Tax	<p>Tax <u>applies only to tax years beginning on 1/1/21.</u></p> <p>MRS has <u>significant technical and administrative concerns.</u></p> <p>This bill returns the exclusion amount, below which the Maine estate tax does not apply, to \$2,000,000 from the \$5,600,000 in current law for estates of decedents dying on or after January 1, 2022.</p> <p>SAME AS LD 1704:</p> <p>This bill also creates an <u>additional exclusion amount</u> of up to \$3,800,000 from the estate tax for:</p> <ol style="list-style-type: none"> <li>1. <u>family farms and</u></li> <li>2. <u>commercial aquaculture,</u></li> <li>3. <u>commercial fishing and</u></li> <li>4. <u>commercial wood harvesting businesses</u></li> </ol> <p>This additional exclusion applies to</p> <ol style="list-style-type: none"> <li>1. <u>farmland</u></li> <li>2. <u>depreciable machinery and equipment used in commercial agriculture, aquaculture, fishing or wood harvesting</u></li> <li>3. <u>that is inherited by a family member and</u></li> <li>4. <u>remains in commercial use for 5 years following transfer.</u></li> </ol> <p>Both the \$2,000,000 exclusion amount and the \$3,800,000 additional exclusion amount are <u>annually adjusted for inflation beginning in 2024.</u></p>	<p>MRS preliminary fiscal impact</p> <p>Admin costs: FY 22 \$338,960 FY 23 641,612</p> <p>Revenue impact: Not provided</p>		
1638	201	5/13		Bailey	An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes	<p>This bill reinstates the State's property tax deferral program for individuals age 65+, which was in effect for applications filed before April 1, 1991. The State pays the municipality the amount of deferred taxes and acquires a lien to recover amounts paid plus interest when individual is no longer living in the property.</p> <p>The bill modifies the program to include</p> <ol style="list-style-type: none"> <li>1. <u>households with at least one individual who is 65 years of age or older or who is unable to continue employment due to disability and to</u></li> </ol>			

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						<p>surviving spouses who are unable to continue employment due to disability and</p> <p>2. provides that income must be less than \$40,000.</p> <p>3. Liquid assets must be less than \$50,000 for 1 person. \$75,000 for 2+ persons)</p> <p>4. Property must receive homestead exemption.</p> <p>The bill also changes the rate of accrual of interest on deferred property taxes from 6% to the prime rate published in the Wall Street Journal rounded up to the next whole percent minus one percentage point.</p> <p>Provides that property may not be subject to deferral under both the state deferral program and a municipal deferral program.</p> <p>The bill also facilitates the administration of the deferral of property taxes for seniors and certain persons with disabilities, including expanding the authority of guardians to include an agent under a power of attorney or pursuant to a protective arrangement or any other lawful order.</p> <p>The bill requires use of funds in the Property Tax Relief Fund for Maine Residents in case there are not sufficient funds to pay for the property tax deferral program; current law requires transfers from the General Fund.</p> <p>In the event that there are not sufficient funds in the Property Tax Relief Fund for Maine Residents, the bill requires that additional transfers be made from the Housing Opportunities for Maine Fund to cover the shortfall.</p> <p>This bill requires repayment of those transfers, with interest, first to the Housing Opportunities for Maine Fund and then to the Property Tax Relief Fund when there are sufficient funds available for those reimbursements.</p> <p>MeSHA has concerns about use of its funds for this purpose.</p>			

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1704	1805	5/18		Talbot-Ross	An Act To Change the Exclusion Amount under the Estate Tax and Provide Additional Funding for the Housing Opportunities for Maine Fund	<p>MRS has significant technical concerns.</p> <p>This bill reduces the exclusion amount, below which the Maine estate tax does not apply, to \$1,000,000 from \$5,600,000 for estates of decedents dying on or after January 1, 2022 and removes the annual adjustment for inflation of that exclusion amount.</p> <p>SAME AS LD 1524: This bill also creates an additional exclusion amount of up to \$3,800,000 from the estate tax for:</p> <ol style="list-style-type: none"> <li>5. <u>family farms and</u></li> <li>6. <u>commercial aquaculture,</u></li> <li>7. <u>commercial fishing and</u></li> <li>8. <u>commercial wood harvesting businesses</u></li> </ol> <p>This additional exclusion applies to</p> <ol style="list-style-type: none"> <li>5. <u>farmland</u></li> <li>6. <u>depreciable machinery and equipment used in commercial agriculture, aquaculture, fishing or wood harvesting</u></li> <li>7. <u>that is inherited by a family member and</u></li> <li>8. <u>remains in commercial use for 5 years following transfer.</u></li> </ol> <p>Distribution of revenue: The Treasurer of State must credit</p> <ol style="list-style-type: none"> <li>1. <u>50% of the revenue generated by the reduction in the exclusion amount beginning January 1, 2022 to the General Fund and</u></li> <li>2. <u>50% the Maine State Housing Authority, to the HOME Fund</u></li> </ol> <p>The bill directs the Maine State Housing Authority in consultation with the Permanent Commission on the Status of Racial, Indigenous and Maine Tribal Populations to develop a racial equity assessment tool to use when evaluating project funding and report to the Joint Standing Committee on Labor and Housing on the development of this tool no later than October 1, 2022.</p>		MRS preliminary fiscal impact  Not provided	