

RQS

MAJORITY
Amendment
Review

LD2030

L.D. 2030

(Filing No. H-)

4/13/22

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Date:

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TAXATION

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Reproduced and distributed under the direction of the Clerk of the House.

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

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130TH LEGISLATURE

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SECOND REGULAR SESSION

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COMMITTEE AMENDMENT " " to H.P. 1512, L.D. 2030, "An Act Regarding Taxation of Energy Storage Facilities and Equipment"

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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'Sec. 1. 36 MRSA §1760, sub-§112 is enacted to read:

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112. Battery energy storage system. Beginning January 1, 2023 and ending December 31, 2025, sale of a battery energy storage system with a capacity of 50 megawatts or greater that will be located at a single site in the State, as evidenced by the applicable interconnection agreement governing the battery energy storage system, and the sale of parts and accessories that are integral to such a battery energy storage system. For the purposes of this subsection, "energy storage system" means commercial machinery and equipment that is capable of absorbing energy, storing the energy for a period of time and discharging the energy after it has been stored.

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Sec. 2. Governor's Energy Office; energy storage tax incentive report. The Governor's Energy Office shall examine the role of existing and potential tax incentives in achieving the objectives established in the Maine Revised Statutes, Title 35-A, section 3145 and shall provide a report on these matters to the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters by March 15, 2023. The report must include a review of tax incentives for energy storage available from the Federal Government and in other states and must include input from interested stakeholders. The report must also be provided to the joint standing committee of the Legislature having jurisdiction over taxation matters if recommendations regarding taxation policy are included. The joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters is authorized to report out legislation related to the report to the First Regular Session of the 131st Legislature. Upon written request, the Public Utilities Commission and the Department of Administrative and Financial Services, Maine Revenue Services shall provide to the office information and assistance requested related to the report.'

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COMMITTEE AMENDMENT

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

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This amendment removes from the bill the provision relating to the business equipment tax exemption, provides an end date of December 31, 2025 to the sales tax exemption for battery energy storage systems and clarifies the definition of the exempt equipment. The amendment also requires the Governor’s Energy Office to review the role of tax incentives in encouraging growth in energy storage capacity in the State and report the results of its review to the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters by March 15, 2023.

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FISCAL NOTE REQUIRED

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(See attached)



130th MAINE LEGISLATURE

LD 2030

LR 2676(02)

An Act Regarding Taxation of Energy Storage Facilities and Equipment

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$1,961,750	\$2,802,500	\$840,750
Revenue				
General Fund	\$0	(\$1,961,750)	(\$2,802,500)	(\$840,750)
Other Special Revenue Funds	\$0	(\$103,250)	(\$147,500)	(\$44,250)

Fiscal Detail and Notes

The bill provides a sales tax exemption for certain energy storage equipment and will reduce General Fund revenue and Local Government Fund revenue by \$1,961,750 and \$103,250, respectively, in fiscal year 2022-23.

Any additional costs to various departments and agencies from the provisions in this bill are expected to be minor and can be absorbed within existing budgeted resources.