

2/7/2023

TAXATION COMMITTEE
131st LEGISLATURE
1st REG SESSION
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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY24	FY25
6	124	1/31		Terry	Resolve, Authorizing the State Tax Assessor to Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	<p>This resolve is annual MRS bill that authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory (UT) that were acquired by the State for nonpayment of property taxes.</p> <p>MRS administers the property tax in the UT. Revenue from property tax in the UT is deposited in a Special Fund and used to cover the cost of municipal services provided in the UT.</p> <p>Property owners are given the opportunity to pay amounts owed before the property is sold.</p>			
7	122	1/31		Terry	An Act to Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes	<p>This bill is the annual MRS bill that updates the date of conformity with the U.S. Internal Revenue Code contained in the Maine Revised Statutes, Title 36</p> <p>The date of conformity in current law is 12/31/21. This bill changes the date to 12/31/22 and applies to tax years beginning on or after January 1, 2022 and for any prior tax year as specifically provided by the United States Internal Revenue Code of 1986, as amended.</p> <p>This bill conforms to changes in federal law enacted in calendar year 2022.</p>			
37	211			Pouliot	An Act to Amend the Laws Governing Property Tax Stabilization for Senior Citizens to	<p>This bill amends the laws governing property tax stabilization for senior citizens to eliminate the requirement for an annual application. It provides that a</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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					Eliminate the Requirement for an Annual Application	new application is required when an individual establishes a new homestead in the State.			
66	250	1/31		Perkins	An Act to Prohibit the Taxation of Drinking Water	This bill expands the sales tax exemption for grocery staples to include drinking water other than flavored, mineral bottled and carbonated waters.			
68	177	2/14		Sachs	An Act to Exempt Certain Nonprofit Organizations from the Sales and Use Tax and the Service Provider Tax	This bill exempts from the sales and use tax and from the service provider tax sales to a non profit organization that has been determined by the United States Internal Revenue Service to be exempt from income taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986 if the property or services sold are to be used primarily for the purposes for which the nonprofit organization was organized. The bill requires the Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy to review sales and use tax and service provider tax exemptions to identify provisions that should be repealed or amended because they are duplicative or otherwise unnecessary and to submit a report including suggested legislation repealing or modifying those exemptions to the Joint Standing Committee on Taxation.			
88	488			Paulhus	An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues	This bill establishes the Local Government Cannabis Revenue Fund and requires the transfer to the fund of revenue from the sales tax on adult use cannabis and adult use cannabis products and the cannabis excise tax. The fund must be distributed to a municipality where cannabis establishments are operating in proportion to the ratio of revenues generated by the sales and excise taxes on adult use cannabis and adult use cannabis products within the municipality to the revenues generated by all cannabis establishments operating in the State.			

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89	218			Moriarty	An Act to Clarify Eligibility for Property Tax Stabilization for Individuals 65 Years of Age or Older	This bill, for property tax years beginning on or after April 1, 2024, expands eligibility for the property tax stabilization program for individuals 65 years of age or older to surviving spouses of eligible individuals as long as they were married for at least 10 years before the eligible individual's death.			
101	253	2/7		Perkins	An Act to Return to the Former Owner Any Excess Funds Remaining After the Sale of Foreclosed Property	<p><u>1.. Under current law</u>, if a municipality, or the State Tax Assessor for property located in the unorganized territory, forecloses on property for failure to pay taxes owed on that property, <u>the municipality is under no obligation to return to the owner any funds that exceed the amount owed in taxes after the sale of the property.</u></p> <p><u>2.. This bill requires the municipality</u>, which includes the State Tax Assessor for property located in the unorganized territory, to</p> <p>A. <u>Provide notice of the availability of the excess funds, after subtracting</u> the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs and any other expenses incurred in disposing of the property, <u>to the former owner</u> within 30 days after the sale of the property or 180 days after the foreclosure, whichever is sooner.</p> <p>B. <u>Keep the excess funds in a segregated escrow account.</u> If the former owner fails to claim the excess funds in person within 90 days after receipt of the notice, the municipality is allowed to retain the excess funds.</p> <p>C. <u>If the former owner or the former owner's representative notifies the municipality within 90 days after receipt of the notice</u>, the municipality must <u>negotiate with the former owner over the return of the excess funds.</u> If the former owner is dissatisfied with the municipality's offer, the</p>			

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						former owner may seek binding arbitration for resolution of the matter.			
130	29			Bennett	An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption.	This bill provides that the law enacted in 2022 providing a process for stabilization of property taxes for permanent residents of this State who are 65 years of age or older and have owned a homestead in the State for at least 10 years applies only to the property tax year beginning April 1, 2023. For property tax years beginning on or after April 1, 2024, the bill replaces the stabilization program with an increased homestead property tax exemption of \$75,000 just value.			
144	362	2/7		Sachs	An Act Regarding the Monitoring of Municipal Abandoned Property	1.. <u>Under current law</u> , a municipality that certifies abandoned property is required to provide <u>information regarding the property to the Maine State Housing Authority</u> for use in determining opportunities for redevelopment, programs supporting first-time home buyers and similar programs and data analysis. 2.. <u>This bill</u> instead requires the municipality to submit such <u>information to the Maine Redevelopment Land Bank Authority</u> for use in determining opportunities for redevelopment.			
149	203	2/7		Bailey	An Act to Amend the Definition of "Homestead" Under the Homestead Property Tax Exemption Laws	<u>Current law</u> provides that one qualification of a residence for the <u>homestead property tax exemption</u> is <u>if the real property is held for the applicant in a revocable living trust</u> . <u>This bill</u> removes the requirement that the living trust be revocable.			
167	247	2/7		Bell	An Act Regarding Eligibility for the Maine Resident Homestead Property Tax Exemption	This bill provides that <u>a person who holds a life lease on a permanent residence is eligible for the Maine resident homestead property tax exemption</u> .			

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191	289	2/14		Stewart	An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits	This bill excludes from eligibility for the business equipment tax exemption and the business equipment tax reimbursement a person that, based on 3rd-party certifications, bans, boycotts or otherwise restricts or prevents the sale or distribution of any product that is legally produced, harvested or grown in the State.			
195	430	1/31	1/31	Haggan	An Act to Exempt Gold Star Parents from Income Tax	This bill provides an exemption from Maine income tax to gold star parents who are residents of the State of Maine. Eligible persons are: <ol style="list-style-type: none"> Parents of a member of the United State Armed Forces who has died as the result of circumstances described in federal law (while engaged in action against an enemy of the US, engaged in military operations against an opposing foreign force or serving with friendly foreign forces in which the US is not a belligerent party; and Who demonstrate receipt of a report of casualty form or notification of loss from the U.S. Department of Defense. 	ONTP		
210	820	2/7		Hasenfus	An Act to Expand the List of Persons Exempt from the Real Estate Transfer Tax	<u>Current law</u> provides exemption from Real Estate Transfer Tax for transfers to spouses, parents, grandparents and grandchildren. <u>This bill expands</u> the exemption for family members to include siblings, stepchildren and step grandchildren.			
283	123			Matlack	An Act to Make Technical Changes to the Maine Tax Laws	Part A makes changes to the property tax law. Part A: <ol style="list-style-type: none"> Allows disclosure of confidential information to the State Board of Property Tax Review; Clarifies that a municipality's equalized tax rate of residential property is the equalized full value tax rate when calculating qualification for sudden and severe disruption assistance; 			

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						<p>3. Removes the requirement that updates to the property tax assessment manual be made by the State Tax Assessor by rule;</p> <p>4. Clarifies that the fixed-dollar parsonage and personal property exemptions for houses of religious worship are based on just value;</p> <p>5. Clarifies that only individuals qualify for certain property tax exemptions for veterans and removes gender-specific terms in those provisions;</p> <p>6. Facilitates the repeal of the Circuitbreaker Program, which has expired, by moving definitions from that program to current provisions;</p> <p>7. Clarifies that the income and asset limitations of the state property tax deferral program apply to all owners of the property; and</p> <p>8. Makes other technical and grammatical changes to improve the clarity of property tax provisions.</p> <p>Part B makes changes to the income tax law. Part B:</p> <p>1. Clarifies that a petition for reconsideration related to a determination issued by Maine Revenue Services must be filed within the specified time period with Maine Revenue Services in order to be available for review in Superior Court or by the Maine Board of Tax Appeals;</p> <p>2. Repeals the Maine income modifications related to the expired federal domestic production activities deduction;</p> <p>3. Repeals the Maine income modification for the expired federal unemployment compensation deduction;</p> <p>4. Repeals the Maine income modification for the expired federal deferral of income from discharge of indebtedness;</p> <p>5. Repeals the expired Maine income modification for insurance premiums for long-term care insurance;</p> <p>6. Repeals the expired Maine income modification for federal recovery amounts included in federal adjusted gross income;</p>			

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						<p>7. Clarifies Maine Revenue Services' rule-making authority regarding the Maine research expense income tax credit by correcting an erroneous reference to the federal Internal Revenue Code of 1986, removing unnecessary and confusing language and making the rule-making requirement discretionary;</p> <p>8. Clarifies that the benefit base under the property tax fairness credit includes property tax payments, and not payments of rent constituting property taxes, under the State's property tax deferral program; and</p> <p>9. Provides that the additional credit for permanently and totally disabled veterans under the property tax fairness credit is limited to the total taxes paid by the taxpayer and by the State on behalf of the taxpayer pursuant to the property tax deferral program, if any.</p> <p>Part C makes changes to provisions regarding the sales tax. Part C:</p> <p>1. Removes the word "pickup" from the phrase "pickup trucks" in the Multimodal Transportation Fund transfer to align with the removal of the word in the corresponding sales tax provisions by Public Law 2021, chapter 578; and</p> <p>2. Clarifies the confidentiality exemption for disclosing registration, revocation of registration or exemption certificate information by providing that the allowable disclosure is limited to the disclosure of information applicable to the previous 6 years.</p>			
286	1192	2/14		Carlow	An Act to Authorize the Use of Tax Increment Financing Funds for Constructing or Renovating Municipal Offices and Other Municipal Buildings	This bill permits revenue from tax increment financing districts to be used for the construction or renovation of municipal offices or other municipal buildings when the legislative body of the municipality determines that certain conditions are met. The bill limits the revenue that may be used for these purposes during a 20-year period for any one tax increment financing district.			

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287	235	2/14		Murphy	An Act to Support Parents by Providing a Sales Tax Exemption for Diapers	This bill provides a sales tax exemption for disposable and reusable diapers for children.			
457	2184			Chipman	An Act to Amend Maine's Tax Laws	This bill is a concept draft pursuant to Joint Rule 208. This bill would amend Maine's tax laws.			
499	1756			Chipman	An Act to Amend Maine's Tax Laws	This bill is a concept draft pursuant to Joint Rule 208. This bill would amend Maine's tax laws.			