

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

August 2017

STAFF:

JULIE JONES, SENIOR LEGISLATIVE ANALYST

OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635
<http://legislature.maine.gov/ofpr>

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*Committee member for a portion of the session

STATE OF MAINE

128TH LEGISLATURE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 128th Legislature is Wednesday, November 1, 2017. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Taxation

LD 1581 An Act To Simplify Maine Income Tax by Repealing or Terminating Certain Tax Credits and the Charitable Contribution Checkoff

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BICKFORD B	ONTP	

This bill, submitted by the Department of Administrative and Financial Services, makes the following changes to the income tax laws.

1. It repeals the Maine Fishery Infrastructure Tax Credit Program and terminates the availability of the corresponding tax credit and related individual and corporate income tax addition modifications for tax years beginning on or after January 1, 2017, except that unused credit amounts from prior tax years carried forward by the taxpayer may be used.
2. It terminates the availability of the tax credit for wellness programs and repeals the related income tax addition modifications for tax years beginning on or after January 1, 2017, except that unused credit amounts from prior tax years carried forward by the taxpayer may be used.
3. It repeals, for tax years beginning on or after January 1, 2017, the individual and corporate income tax subtraction modifications for gain attributable to the sale of eligible timberlands.
4. It repeals the tax credit for adult dependent care expenses and the related adjustment to Maine itemized deductions for tax years beginning on or after January 1, 2017.
5. It repeals the certified visual media production tax credit for tax years beginning on or after January 1, 2017 and removes related cross-references to that credit.
6. It repeals the tax credit for modifications to a homestead to make it accessible to an individual with a disability or physical hardship for tax years beginning on or after January 1, 2017 and removes a related cross-reference to that credit.
7. It repeals the tax credit for disability income protection plans in the workplace for tax years beginning on or after January 1, 2017 and removes related cross-references to that credit.
8. It repeals the voluntary charitable contribution checkoffs, and the requirement that the State Tax Assessor include the checkoffs on the tax form, for the Maine Endangered and Nongame Wildlife Fund, the Companion Animal Sterilization Fund, the Maine Children's Trust Incorporated, the Bone Marrow Screening Fund, the Maine Military Family Relief Fund, the Maine Veterans' Memorial Cemetery Maintenance Fund, the Maine Asthma and Lung Disease Research Fund and the Maine Public Library Fund from Maine individual income tax forms for tax years beginning on or after January 1, 2017 and eliminates funding for the Maine Military Family Relief Fund due to the elimination of the checkoff for that fund.

LD 1589 An Act To Simplify the Taxation of Leasing Tangible Personal Property and To Clarify the Incidence of Use Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	ONTP	

Joint Standing Committee on Taxation

This bill, submitted by the Department of Administrative and Financial Services, makes the following changes to the sales and use tax laws.

Part A moves the point of taxation with respect to leases of tangible personal property from a use tax on the lessor to a sales tax on each lease payment, in order to simplify the law and provide consistency with the tax treatment of leases in other states that impose a sales tax. It updates the Maine Revised Statutes, Title 36, Part 3 to include leases, rentals and lessors in many existing provisions regarding sales and sellers and to add new provisions regarding leases, rentals and lessors that correspond to existing provisions regarding sales and sellers. It also updates sales tax exemptions that currently exempt sales to certain entities to also exempt leases and rentals to those entities. It sources the first lease or rental payment to this State for taxation when the property is received in this State. Subsequent payments are sourced to this State as long as the primary property location for the period covered by the payment is in this State. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part B clarifies when owners of property that has been used outside of Maine are liable for a use tax when the property is brought into Maine. It updates several provisions, enacting a clear 90-day standard for use in Maine to give rise to a use tax liability. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part C terminates, as of December 31, 2017, the ability to claim a motor vehicle excise tax reimbursement for rental vehicles.

LD 1597 An Act To Exempt from Sales Tax the Fee Associated with the Paint Stewardship Program CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BREEN C TUCKER R	OTP-AM ONTP	S-183

This bill exempts from the sales and use tax the fee imposed to fund the paint stewardship program, regardless of whether the fee is paid by a retailer or distributor or passed on to the consumer.

Committee Amendment "A" (S-183)

This amendment provides for proper administration of the exclusion from sales tax of the paint stewardship assessment by providing that the assessment is excluded from the sale price to which the sales tax applies. The amendment includes an effective date and application provision.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

LD 1599 An Act To Improve the Maine Tree Growth Tax Law CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S		

This bill, which is a Governor's bill, makes the following changes to the Maine Tree Growth Tax Law.

1. It includes harvesting as an expressly stated purpose for land in the Maine Tree Growth Tax Law program.