

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
128<sup>TH</sup> LEGISLATURE  
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



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

**JOINT STANDING COMMITTEE ON TAXATION**

October 2018

**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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# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions of the 128<sup>th</sup> 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 dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128<sup>th</sup> Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. 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*

applies to tax years beginning on or after January 1, 2018.

Part E expands the corporate income tax brackets beginning in 2018. The current rate structure for taxable corporations consists of 3.5% on income not over \$25,000, 7.93% on income not over \$75,000, 8.33% on income not over \$250,000 and 8.93% on income of \$250,000 or more. The rate structure for tax years beginning after December 31, 2017 consists of 3.5% on income not over \$350,000, 7.93% on income not over \$1,050,000, 8.33% on income not over \$3,500,000 and 8.93% on income of \$3,500,000 or more.

Part F amends the Maine College Savings Program to change the name to the Maine Education Savings Program and, as a result of recent federal changes to the Internal Revenue Code, Section 529, qualified tuition programs, extends the ability to use the program for enrollment or attendance expenses at an elementary or secondary public, private or religious school and to receive favorable federal tax treatment on the earnings portions of such disbursements. Part F provides for changes to the Maine Revised Statutes to reflect the change to the name of the program. Part F also conforms the program's state tax treatment of such disbursements to federal law.

Part G retains the Maine exclusion amount under the estate tax at the amount in effect for deaths prior to January 1, 2018, subject to an annual inflation adjustment, and does not conform to the increases in the federal basic exclusion amount.

Part H provides a credit under the income tax and the insurance premium tax equal to the federal credit for employer-paid family and medical leave. The federal credit expires December 31, 2019.

Part I provides funding for computer programming changes required to implement changes made in the law.

Public Law 2017, chapter 474 was enacted as an emergency measure effective September 12, 2018.

**LD 1660      *Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory***

**RESOLVE 36**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	OTP-AM	H-655

This resolve, which was submitted by the Department of Administrative and Financial Services, authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired by the State due to nonpayment of property taxes.

**Committee Amendment "A" (H-655)**

This amendment corrects the property tax amounts due on two parcels of property in the Unorganized Territory.

**Enacted Law Summary**

Resolve 2017, chapter 36 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired by the State due to nonpayment of property taxes.

**LD 1669      *An Act Regarding Levies Placed on Accounts at Financial Institutions for Unpaid State Income Taxes***

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R	ONTP	

## *Joint Standing Committee on Taxation*

This bill requires a financial institution, in a case in which a delinquent taxpayer's accounts have been levied for unpaid state income taxes, to satisfy the levy first from accounts held solely by the delinquent taxpayer, next from accounts held jointly by the delinquent taxpayer and the delinquent taxpayer's spouse and last from accounts held jointly by the delinquent taxpayer and a third party.

### **LD 1680     An Act To Create an Access to Justice Income Tax Credit**

**Died On  
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-601

This bill was reported out of committee in the Second Regular Session of the 128th Legislature and then carried over on the Special Appropriations Table to the next special session by joint order S.P. 748.

This bill provides an income tax credit for five years for attorneys who begin the practice of law in the State and agree to practice for at least five years in an underserved area of the State as determined by the Board of Overseers of the Bar. Eligibility for the credit is open from 2019 through 2024. The board may certify up to five eligible attorneys each year. The joint standing committee of the Legislature having jurisdiction over taxation matters is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.

#### **Committee Amendment "A" (H-601)**

This amendment changes the entity determining and verifying eligibility for the access to justice credit proposed in the bill from the Board of Overseers of the Bar to the Supreme Judicial Court. It also reduces the maximum annual credit from \$12,000 to \$6,000, adds requirements that an eligible attorney must be rostered by the Maine Commission on Indigent Legal Services to accept court appointments and agree to perform pro bono legal services and clarifies the definition of "underserved area." The amendment also adds an application date.

### **LD 1687     An Act To Amend the Laws Governing the Calculation of Excise Tax on Automobiles**

**Accepted Majority  
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DILL J STANLEY S	ONTP OTP-AM	

This bill changes the method of computing the excise tax that is levied on motor vehicles and camper trailers registered in the State.

This bill requires that the excise tax on motor vehicles and camper trailers be based on the purchase price of the vehicle for the first or current year of model and on the maker's list price for all succeeding years. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.

#### **Committee Amendment "A" (S-421)**

This amendment, which is the minority report, provides that, for a motor vehicle purchased after December 31, 2018, the motor vehicle excise tax must be based on the purchase price for the motor vehicle if purchased from a new vehicle dealer or a used car dealer. For other motor vehicles, the excise tax continues to be based on the maker's list price.