STATE OF MAINE

132ND LEGISLATURE

FIRST REGULAR AND FIRST SPECIAL SESSIONS

Disposition of bills and summaries of all laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

August 2025

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LD 185 An Act to Expand Opportunities to Invest Municipal Tax Increment Financing Revenues

ENACTED LAW SUMMARY

Public Law 2025, chapter 310 changes the limit on the captured assessed value of a development district that may be applied toward the construction, renovation and operation of public safety facilities, including facilities used as emergency shelters, in a municipality or plantation to 25%.

LD 221 An Act to Address the Effect of Changes to Federal Income Tax Laws on Maine Income Tax Laws

ENACTED LAW SUMMARY

Public Law 2025, chapter 336 changes the process for responding to federal income tax law changes when the Legislature has not had an opportunity to adjust state law before the start of tax return processing as follows.

1. It requires the Commissioner of Administrative and Financial Services, prior to approving any generally applicable extension of time for payment or filing that would have a material budgetary impact on the State, to report in writing to the Governor the nature of the extension and its budgetary impact and send a copy of the report to the President of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and House of Representatives, the chair of the joint standing committee of the Legislature having jurisdiction over taxation matters and the chair of the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs matters.

2. It requires the Commissioner to submit a report in writing to the Governor describing the federal income tax law changes and their potential effect on Maine income tax laws and the state budget, if the Legislature has not had the opportunity, before the bureau begins processing returns for the most recently completed tax year, to conform or adjust Maine laws in response to federal income tax law changes affecting the tax year. It also requires the commissioner to send a copy of the report to the President of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and House of Representatives, the chair of the joint standing committee of the Legislature having jurisdiction over taxation matters and the chair of the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs matters.

3. It allows the Governor to direct the State Tax Assessor to temporarily adjust Maine income tax filing requirements and administration based on federal changes, contingent on future legislative action. Immediately upon making such a determination, the Governor shall notify the President of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and House of Representatives, the members of the joint standing committee of the Legislature having jurisdiction over taxation matters and the chairs of the joint standing committee of the Legislature having jurisdiction over appropriations and