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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2. It eliminates the expired high-technology investment income tax credit.

3. It eliminates the requirement that a separate return must be filed for the insurance premiums tax on workers' compensation insurance.

4. It updates a calendar year reference in the section of law governing estimated income tax payments to a fiscal year to address a provision that was missed when Public Law 2023, chapter 360 updated the other calendar year references in that section.

5. It eliminates the expired shipbuilding facility credit.

Public Law 2025, chapter 113 also removes and replaces gendered language in laws governing property taxes and certain other provisions and makes other changes to conform with current drafting standards.

LD 294 An Act to Expand Municipal Volunteer Program Eligibility Requirements in the Municipal Property Tax Assistance Laws

ENACTED LAW SUMMARY

Public Law 2025, chapter 337 permits municipalities, beginning January 1, 2026, to adopt programs to provide benefits to residents who are at least 60 years of age or volunteer firefighters, volunteer municipal firefighters or volunteer emergency medical services persons.

LD 366 An Act to Ensure Consistency of Income Tax Deductions for Retired Members of the Uniformed Services

ENACTED LAW SUMMARY

Public Law 2025, chapter 452 clarifies that a “military retirement plan,” for purposes of the pension benefit deduction, refers to a retirement benefit received as a result of service in the active or reserve components of the United States uniformed services, by incorporating a definition from the United States Code.

LD 526 An Act to Reduce the Time Period for Challenging the Validity of a Property Tax Lien on Commercial Real Estate

ENACTED LAW SUMMARY

Public Law 2025, chapter 231 establishes a two-year limit for commencing an action to challenge the validity of a governmental taking of commercial real estate for nonpayment of property taxes, with the two-year period beginning immediately after the expiration of the redemption period. The law provides that commercial real estate includes property that is either used or held for use primarily for a business purpose, including, but not limited to, apartment buildings with five or more rental or lease units, mobile home parks, office buildings and recreational facilities. The law applies to tax liens recorded on commercial real estate on or after July 1, 2026.

LD 554 An Act to Encourage Resident-owned Communities and Preserve Affordable Housing Through Tax Deductions

ENACTED LAW SUMMARY

Public Law 2025, chapter 455 excludes from state income tax the amount of gain, up to a maximum of $750,000, recognized by a taxpayer in transferring the business to a cooperative affordable housing corporation. The law also specifies the policy objective and the performance measures that the Office of Program Evaluation and Government Accountability, the Government Oversight Committee and the joint standing committee of the Legislature having jurisdiction over taxation matter must consider in developing evaluation parameters to perform the review of proposed tax deductions as required by the Maine Revised Statutes, Title 3, chapter 37.

LD 744 An Act to Remove Certain Wharves and Piers from the Laws Governing the Current Use Valuation of Working Waterfront Land

ENACTED LAW SUMMARY

Public Law 2025, chapter 380 changes the definition of “working waterfront land” in the laws governing the current use valuation of working waterfront land by removing from the definition wharves and piers used primarily or used predominantly by persons engaged in commercial fishing activities.

LD 819 An Act to Clarify the Status of Energy Storage Systems with Regard to the Business Equipment Tax Exemption and the Business Equipment Tax Reimbursement Program

ENACTED LAW SUMMARY

Public Law 2025, chapter 467 designates battery storage systems as property eligible for both the business equipment tax exemption and the business equipment tax reimbursement program. To be eligible, more than 50% of the electrical output from the battery storage system must serve a load behind the utility meter at the location of the system or a fully executed interconnection agreement must exist between the system owner and a transmission and distribution utility by January 1, 2025.