

MAINE STATE LEGISLATURE

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2018

L.D. 1711

DATE: 4/7/6

(Filing No. H-974)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1218, L.D. 1711, Bill, "An Act To Make Minor Substantive Changes to the Tax Laws"

Amend the bill by striking out all of section 4 and inserting in its place the following:

'Sec. 4. 36 MRSA §653, sub-§1, ¶D-1, as amended by PL 2003, c. 702, §2, is further amended to read:

D-1. The estates up to the just value of \$47,500 \$50,000, having a taxable situs in the place of residence, for specially adapted housing units, of veterans who served in the Armed Forces of the United States during any federally recognized war period, including the Korean Campaign, the Vietnam War and the Persian Gulf War, and who are paraplegic veterans within the meaning of 38 United States Code, Chapter 21, Section 2101, and who received a grant from the United States Government for any such housing, or of the unremarried widows or widowers of such veterans. A veteran of the Vietnam War must have served on active duty for a period of more than 180 days, any part of which occurred after February 27, 1961 and before May 8, 1975 in the case of a veteran who served in the Republic of Vietnam during that period and after August 4, 1964 and before May 7, 1975 in all other cases, unless the veteran died in service or was discharged for a service-connected disability after that date. "Vietnam War" means the period between August 5, 1964 and May 7, 1975 and the period beginning on February 28,

COMMITTEE AMENDMENT

1961 and ending on May 7, 1978 in the case of a veteran who served in the Republic of Vietnam during that period. "Persian Gulf War" means service on active duty on or after August 7, 1990 and before or on the date that the United States Government recognizes as the end of that war period. The exemption provided in this paragraph applies to the property of the veteran including property held in joint tenancy with a spouse or held in a revocable living trust for the benefit of that veteran.'

Further amend the bill by striking out all of section 6 and inserting in its place the following:

'Sec. 6. 36 MRSA §1760, sub-§16, as amended by PL 2003, c. 689, Pt. B, §6 and c. 705, §4 and affected by §14, is repealed and the following enacted in its place:

16. Hospitals, research centers, churches and schools.
Sales to:

A. Incorporated hospitals;

B. Incorporated nonprofit nursing homes licensed by the Department of Health and Human Services;

C. Incorporated nonprofit residential care facilities licensed by the Department of Health and Human Services;

D. Incorporated nonprofit assisted housing programs for the elderly licensed by the Department of Health and Human Services;

E. Incorporated nonprofit home health agencies certified under the United States Social Security Act of 1965, Title XVIII, as amended;

F. Incorporated nonprofit rural community health centers;

G. Incorporated nonprofit dental health centers;

H. Incorporated nonprofit organizations organized for the sole purpose of conducting medical research;

I. Incorporated nonprofit organizations organized for the purpose of establishing and maintaining laboratories for scientific study and investigation in the field of biology or ecology;

2 J. Institutions incorporated as nonprofit corporations for
3 the purpose of operating educational television or radio
4 stations;

6 K. Schools;

8 L. Incorporated nonprofit organizations or their affiliates
9 whose purpose is to provide literacy assistance or free
10 clinical assistance to children with dyslexia; and

12 M. Regularly organized churches or houses of religious
13 worship.'

14 Further amend the bill by striking out all of section 10 and
15 inserting in its place the following:

16 'Sec. 10. 36 MRSA §2557, sub-§3, as enacted by PL 2003, c.
17 673, Pt. V, §25 and affected by §29, is repealed and the
18 following enacted in its place:

20 3. Hospitals, research centers, churches and schools.
21 Sales to:

24 A. Incorporated hospitals;

26 B. Incorporated nonprofit nursing homes licensed by the
27 Department of Health and Human Services;

28 C. Incorporated nonprofit residential care facilities
29 licensed by the Department of Health and Human Services;

32 D. Incorporated nonprofit assisted housing programs for the
33 elderly licensed by the Department of Health and Human
34 Services;

36 E. Incorporated nonprofit home health agencies certified
37 under the United States Social Security Act of 1965, Title
38 XVIII, as amended;

40 F. Incorporated nonprofit rural community health centers;

42 G. Incorporated nonprofit dental health centers;

44 H. Incorporated nonprofit organizations organized for the
45 sole purpose of conducting medical research;

46 I. Incorporated nonprofit organizations organized for the
47 purpose of establishing and maintaining laboratories for
48 scientific study and investigation in the field of biology
49 or ecology;
50

2 J. Institutions incorporated as nonprofit corporations for
4 the purpose of operating educational television or radio
 stations;

6 K. Schools;

8 L. Incorporated nonprofit organizations or their affiliates
10 whose purpose is to provide literacy assistance or free
 clinical assistance to children with dyslexia; and

12 M. Regularly organized churches or houses of religious
14 worship.'

16 Further amend the bill by striking out all of sections 17
and 18 and inserting in their place the following:

18 'Sec. 17. 36 MRSA §4062, sub-§8 is enacted to read:

20 8. Value. When determining value for purposes of this
22 chapter, "value" means, with respect to an estate or to property
 included in an estate, including Maine qualified terminable
24 interest property:

26 A. For estates of decedents that incur a federal estate
 tax, the value as finally determined for federal estate tax
28 purposes unless the State Tax Assessor has determined a
 different value in accordance with the Code; or

30 B. For estates of decedents that do not incur a federal
 estate tax, the value as determined by the State Tax
32 Assessor in accordance with the Code as if the estate had
 incurred a federal estate tax.

34 Sec. 18. 36 MRSA §4063, as amended by PL 2003, c. 673, Pt. D,
36 §3, is repealed and the following enacted in its place:

38 **§4063. Tax on estate of resident**

40 A tax is imposed upon the transfer of the estate of every
42 person who dies on or after January 1, 2002 and who, at the time
 of death, was a resident of this State. The amount of this tax
44 is equal to the federal credit multiplied by a fraction, the
 numerator of which is that portion of the decedent's federal
46 gross estate that consists of real and tangible personal property
 located in the State plus all intangible personal property and
 the denominator of which is the decedent's federal gross estate.
48 For purposes of this section, "federal gross estate" means the
 decedent's federal gross estate as modified by Maine qualified
50 terminable interest property and Maine elective property.'

2 Further amend the bill by striking out all of sections 23
and 24 and inserting in their place the following:

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6 **'Sec. 23. 36 MRSA §4071, sub-§3,** as enacted by PL 1981, c.
451, §7, is amended to read:

8 **3. Items entering computation of tax.** If there has been a
10 final federal determination with respect to a decedent's federal
12 estate tax, any item, but not its value, entering into the
14 computation of the tax ~~shall--be~~ is deemed to have been the
subject of the final federal determination, whether or not
specifically adjusted thereby.

16 **Sec. 24. 36 MRSA §4075-A, sub-§1,** as enacted by PL 1995, c.
281, §23, is amended to read:

18 **1. Refund.** ~~In the case of any overpayment of tax imposed~~
~~by this chapter, the State Tax Assessor shall authorize the~~
~~Treasurer of State to refund the overpayment and any applicable~~
20 ~~interest to the~~ A personal representative or the responsible
22 party otherwise liable for the tax imposed by this chapter may
request a refund of any tax imposed by this chapter within 3
24 years from the time the return was filed or 2 years from the time
the tax was paid, whichever period expires later. Every claim
26 for refund must be submitted to the State Tax Assessor in writing
and state the specific grounds upon which it is founded. The
28 claimant may in writing request an informal conference regarding
the claim for refund pursuant to the provisions of section 151.'

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32 Further amend the bill by striking out all of sections 31
and 32 and inserting in their place the following:

34 **'Sec. 31. 36 MRSA §6664, sub-§2,** as enacted by PL 2005, c. 12,
Pt. BBB, §5, is amended to read:

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38 **2. Cooperation.** The Claimants for reimbursement under this
chapter, the Department of Economic and Community Development and
40 municipalities shall provide any information requested by the
State Tax Assessor for the completion of the report required by
this section.

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44 **Sec. 32. 36 MRSA §6754, sub-§2, ¶C,** as enacted by PL 1995, c.
669, §5, is amended to read:

46 C. A business electing to take the jobs and investment tax
48 credit under section 5215 may not claim reimbursement under
this chapter until the full amount of allowable jobs and
investment tax credit benefits have been claimed. This
50 limitation does not apply to claims for reimbursement of

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withholding for qualified Pine Tree Development Zone employees as defined in Title 30-A, section 5250-I, subsection 18, if those employees and any investment in the related Pine Tree Development Zone are not included in calculating the jobs and investment tax credit under section 5215.

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Sec. 33. Application. That section of this Act that enacts the Maine Revised Statutes, Title 36, section 4062, subsection 8 applies to the estate of any decedent dying on or after January 1, 2006. Those sections of this Act that amend Title 36, section 4071, subsections 1 and 3 apply to the estate of any decedent dying on or after January 1, 2006. Those sections of this Act that enact Title 36, section 5122, subsection 2, paragraphs V, W and X apply to tax years beginning on or after January 1, 2005. That section of this Act that amends Title 36, section 6754, subsection 2, paragraph C applies to tax years beginning on or after January 1, 2006.'

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Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

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This amendment reorganizes parallel exemption provisions in the sales and use tax and the service provider tax for greater clarity, strikes a section relating to casual sales and a section relating to estate tax liens, makes changes relating to the estate tax to provide greater clarity and to reflect recent enactments, adds a provision updating the property tax exemption for paraplegic veterans and amends application dates. The amendment also allows a taxpayer to qualify for the 80% employment tax increment financing benefit for employment inside a Pine Tree Development Zone even if it also claims a jobs and investment tax credit for qualified investment outside a Pine Tree Development Zone.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 1711

LR 2951(02)

An Act To Make Minor Substantive Changes to the Tax Laws

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	(\$2,703)	(\$11,387)	(\$23,065)
Revenue				
General Fund	\$0	\$2,703	\$11,387	\$23,065
Other Special Revenue Funds	\$0	(\$7,153)	(\$10,166)	(\$14,016)

Fiscal Detail and Notes

The changes to the Estate Tax and Individual Income Tax will result in a net General Fund revenue increase of \$2,703 in fiscal year 2006-07.

General Fund Summary

Individual Income Tax	\$0	(\$133,097)	(\$185,334)	(\$255,519)
Estate Tax	\$0	\$135,800	\$196,721	\$278,584