

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1570

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H.P. 1081

House of Representatives, May 2, 2017

### An Act To Make Technical Changes to Maine's Tax Laws

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative HILLIARD of Belgrade.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **PART A**

3 **Sec. A-1. 36 MRSA §151, sub-§2, ¶F**, as enacted by PL 2011, c. 694, §3, is  
4 amended to read:

5 F. A person who wishes to appeal a reconsidered decision under this section:

6 (1) To the board must file a written statement of appeal with the board within 60  
7 days after receipt of the reconsidered decision; or

8 (2) Directly to the Superior Court must file a petition for review in the Superior  
9 Court within 60 days after receipt of the reconsidered decision.

10 If a person files a written statement of appeal with the board or a petition for review  
11 with the Superior Court, the statement or petition must be served by certified mail,  
12 return receipt requested, upon the bureau and the Attorney General. If a person does  
13 not file a request for review with the board or the Superior Court within the time  
14 period specified in this paragraph, the reconsidered decision becomes final and no  
15 further review is available.

16 **PART B**

17 **Sec. B-1. 36 MRSA §191, sub-§2**, as amended by PL 2015, c. 490, §§2 to 4 and  
18 c. 494, Pt. A, §§41 to 43, is further amended to read:

19 **2. Exemptions.** Any person or agency receiving information from the bureau in  
20 accordance with this subsection may not disclose such information to any person, agency  
21 or organization, other than the bureau, and may not use such information for any purpose  
22 other than that specified in this subsection. This section ~~shall~~ may not be construed to  
23 prohibit the following:

24 A. The delivery to a taxpayer or ~~his~~ the taxpayer's duly authorized representative of a  
25 certified copy of any return, report or other information filed by the taxpayer pursuant  
26 to this Title;

27 A-1. The disclosure to an authorized representative of the Maine Potato Board of  
28 information obtained by the assessor in the administration of chapter 710;

29 B. The publication of statistics so classified to prevent the identification of particular  
30 reports or returns and the items thereof;

31 C. The inspection by the Attorney General of information filed by any taxpayer who  
32 has requested review of any tax under this Title or against whom an action or  
33 proceeding for collection of tax has been instituted; or the production in court or to  
34 the board on behalf of the State Tax Assessor, or any other party to an action or  
35 proceeding under this Title, of so much and no more of the information as is pertinent  
36 to the action or proceeding;

37 D. The disclosure of information to duly authorized officers of the United States and  
38 of other states, districts and territories of the United States and of Canada and its

1 provinces for use in administration and enforcement of this Title or of the tax laws of  
2 those jurisdictions. With respect to enforcement of the tax laws of other jurisdictions,  
3 the information may not be given to the duly authorized officer unless the officer's  
4 government permits a substantially similar disclosure of information to the taxing  
5 officials of this State and provides for the confidentiality of information in a manner  
6 substantially similar to the manner provided in this section;

7 E. The provision of information, pursuant to a contract for administrative services, to  
8 a person retained on an independent contract basis or the authorized employees of  
9 that person or the provision of information to state employees outside the Bureau of  
10 Revenue Services for the purpose of acquiring assistance in the administration of this  
11 Title and the return to employees of the Bureau of Revenue Services of the  
12 information provided and additional information generated as a product of the  
13 administrative services provided;

14 F. The transmission of information among employees of the Bureau of Revenue  
15 Services for the purposes of enforcing and administering the tax laws of this State  
16 and the delivery by a register of deeds to the State Tax Assessor or delivery by the  
17 State Tax Assessor to the appropriate municipal assessor or to the Maine Land Use  
18 Planning Commission or the Department of Health and Human Services of  
19 "declarations of value" in accordance with section 4641-D. The State Tax Assessor  
20 may require entities requesting information pursuant to this paragraph other than  
21 municipal assessors to provide resources sufficient to cover the cost of providing the  
22 forms;

23 G. The disclosure to the Attorney General of information related to a person who is  
24 the subject of a criminal investigation or prosecution, and the subsequent disclosure  
25 of that information by the Attorney General to a district attorney, an assistant district  
26 attorney or a state, county or local law enforcement agency that is participating in the  
27 criminal investigation or prosecution of that person. A request from the Attorney  
28 General for information related to a person who is the subject of a criminal  
29 investigation or prosecution must be submitted to the State Tax Assessor in writing  
30 and must include:

- 31 (1) The name and address of the person to whom the requested information  
32 relates;
- 33 (2) The taxable period or periods to which the requested information relates;
- 34 (3) The statutory authority under which the criminal investigation or prosecution  
35 is being conducted; and
- 36 (4) The specific reason the requested information is, or may be, relevant to the  
37 criminal investigation or prosecution.

38 The Attorney General or a district attorney, assistant district attorney or law  
39 enforcement agency to which the Attorney General has disclosed tax information  
40 related to a person who is the subject of a criminal investigation or prosecution shall  
41 retain physical control of that information until the conclusion of the criminal  
42 investigation or prosecution for which the information was requested, after which the  
43 information must be returned immediately to the assessor;

- 1 H. The disclosure by the State Tax Assessor of the fact that a person is or is not  
2 registered under this Title or disclosure of both the fact that a registration under this  
3 Title has been revoked and the reasons for revocation;
- 4 I. The disclosure of information acquired pursuant to Part 2;
- 5 J. The disclosure to a state agency seeking setoff of a liquidated debt against a tax  
6 refund pursuant to section 5276-A of information necessary to effectuate the intent of  
7 that section;
- 8 K. The disclosure by a municipal assessor, or by the State Tax Assessor with regard  
9 to the unorganized territory, of information contained on a declaration of value filed  
10 pursuant to section 4641-D or the Internet publication by the State Tax Assessor of  
11 information, other than taxpayer identification numbers, obtained from declarations  
12 of value filed pursuant to section 4641-D, except that, upon request by an individual  
13 who is certified by the Secretary of State as a participant in the Address  
14 Confidentiality Program pursuant to Title 5, section 90-B, the municipal assessor  
15 shall redact the name of that individual on the declaration of value form prior to  
16 disclosure;
- 17 L. The listing of gasoline distributors possessing a certificate under section 2904 and  
18 the number of taxable gallons sold by each gasoline distributor in this State each  
19 month;
- 20 M. The disclosure by employees of the Bureau of Revenue Services, in connection  
21 with their official duties relating to any examination, collection activity, civil or  
22 criminal tax investigation or any other offense under this Title, of return information  
23 to the limited extent that disclosure is necessary in obtaining information, which is  
24 not otherwise available, with respect to the correct determination of tax, liability for  
25 tax or the amount to be collected or with respect to the enforcement of this Title;
- 26 N. The disclosure by the State Tax Assessor of computerized individual income tax  
27 data, without identification by taxpayer name, number or address, to a research  
28 agency of the Legislature;
- 29 O. The disclosure to an authorized representative of the Department of Health and  
30 Human Services of an individual's residence, employer, income and assets for child  
31 support enforcement purposes as required by the Social Security Act, 42 United  
32 States Code, Chapter 7, subchapter IV, Part D (1966), when a request containing the  
33 payor's social security number is made by the department;
- 34 P. The public disclosure by the State Tax Assessor of the name, last known business  
35 address and title of the professional license or certificate of any person whose license  
36 or certificate of authority to conduct a profession, trade or business in this State has  
37 not been renewed, reissued or otherwise extended by order of the assessor pursuant to  
38 section 175. This disclosure may be made only after no further administrative or  
39 judicial review of the order is available under section 151 or the Maine  
40 Administrative Procedure Act;
- 41 Q. The listing of persons possessing certificates under section 3204 and the number  
42 of taxable gallons sold by each person possessing a certificate in this State each  
43 month;

- 1 R. The disclosure to the Department of Health and Human Services of information  
2 relating to the administration and collection of the taxes imposed by chapter 358,  
3 chapter 373, chapter 375 and chapter 377;
- 4 ~~S. The disclosure to an authorized representative of the Department of Health and  
5 Human Services of the names and social security numbers of applicants for the Maine  
6 Residents Property Tax Relief Program for the purpose of identifying those who are  
7 not eligible for that program pursuant to section 6207, subsection 3. The Department  
8 of Health and Human Services may not disclose names or social security numbers to  
9 any person, agency or organization, other than the Bureau of Revenue Services, nor  
10 may those names and social security numbers be used for any purpose other than the  
11 purpose stated in this paragraph;~~
- 12 T. The disclosure to an authorized representative of the Department of Health and  
13 Human Services of information in the possession of the bureau identifying the  
14 location of an interest-bearing account in the name and social security number of a  
15 delinquent payor of child support as requested by the Department of Health and  
16 Human Services;
- 17 U. The disclosure by employees of the Bureau of Revenue Services to designated  
18 representatives of the Secretary of State of information required by the Secretary of  
19 State for the administration of the special fuel tax imposed by chapter 459;
- 20 V. The disclosure by employees of the Bureau of Revenue Services, to designated  
21 representatives of the Department of Labor, of all information required by the State  
22 Tax Assessor and the Commissioner of Labor for the administration of the taxes  
23 imposed by Part 8 and by Title 26, chapter 13 and the Competitive Skills Scholarship  
24 Fund contribution imposed by Title 26, section 1166 and of all information required  
25 by the Director of the Bureau of Labor Standards within the Department of Labor for  
26 the enforcement of Title 26, section 872;
- 27 W. The disclosure by the State Tax Assessor to the State Auditor when necessary to  
28 the performance of the State Auditor's official duties;
- 29 Y. The disclosure by the State Tax Assessor, upon request in writing of any  
30 individual against whom an assessment has been made pursuant to section 177,  
31 subsection 1, of the following information:
- 32 (1) Information regarding the underlying tax liability to the extent necessary to  
33 apprise the individual of the basis of the assessment;
- 34 (2) The name of any other individual against whom an assessment has been  
35 made for the same underlying tax debt; and
- 36 (3) The general nature of any steps taken by the assessor to collect the  
37 underlying tax debt from any other individuals and the amount collected;
- 38 Z. The disclosure to the Treasurer of State when necessary for the performance of  
39 the Treasurer of State's official duties as administrator under Title 33, chapter 41 of  
40 the following information:
- 41 (1) The current mailing address for a taxpayer for purposes of returning  
42 unclaimed or abandoned property to the rightful owner or heir; and

1 (2) The names and mailing addresses of all Maine corporate income tax filers in  
2 an electronic medium prescribed by the State Tax Assessor;

3 AA. The disclosure by employees of the bureau to designated representatives of the  
4 Finance Authority of Maine necessary for the administration of section 6656,  
5 subsection 3 and section 6758, subsection 4 and of information required to ensure  
6 that recipients of certain benefits under Title 20-A, chapter 417-E are eligible to  
7 receive such benefits;

8 BB. The disclosure to an authorized representative of the Department of Health and  
9 Human Services, Office of Child Care and Head Start of taxpayer information  
10 directly relating to the certification of investments eligible for or the eligibility of a  
11 taxpayer for the quality child care investment credit provided by section 5219-Q;

12 CC. The disclosure to an authorized representative of the Department of Professional  
13 and Financial Regulation of information necessary for the administration of Title 10,  
14 chapter 222;

15 DD. The delivery of a certified copy of any return, report or other information  
16 provided or filed pursuant to this Title by a partnership, corporation, trust or estate or  
17 any report of any examination of a return filed by a partnership, corporation, trust or  
18 estate to any person:

- 19 (1) Who signed the return;
- 20 (2) Who is the personal representative or executor of the estate filing the return;
- 21 (3) Who was a member of the partnership filing the return during any part of the  
22 period covered by the return;
- 23 (4) Who is a trustee of the trust filing the return;
- 24 (5) Who was a shareholder during any part of the period covered by the return  
25 filed by an S corporation;
- 26 (6) Who is an officer, or a bona fide shareholder of record owning 1% or more of  
27 the outstanding stock, of the corporation filing the return;
- 28 (7) Who is the person authorized to act for the corporation if the corporation has  
29 been dissolved; or
- 30 (8) Who is the duly authorized representative of any of the persons described in  
31 subparagraphs (1) to (7).

32 The exception under this paragraph does not include the disclosure of confidential  
33 information of a particular partner, shareholder, beneficiary or trustee or other person  
34 receiving income from one of the entities described in subparagraphs (1) to (8) unless  
35 otherwise authorized;

36 EE. The disclosure by the State Tax Assessor of the fact that a person has or has not  
37 been issued a certificate of exemption pursuant to section 1760, 2013 or 2557, a  
38 provisional resale certificate pursuant to section 1754-B, subsection 2-B or a resale  
39 certificate pursuant to section 1754-B, subsection 2-C;

- 1 FF. The disclosure to the Department of the Secretary of State, Bureau of Motor  
2 Vehicles of whether the person seeking registration of a vehicle has paid the tax  
3 imposed by Part 3 with respect to that vehicle;
- 4 GG. The disclosure to the Department of Inland Fisheries and Wildlife, Division of  
5 Licensing and Registration of whether the person seeking registration of a  
6 snowmobile, all-terrain vehicle or watercraft has paid the tax imposed by Part 3 with  
7 respect to that snowmobile, all-terrain vehicle or watercraft;
- 8 II. The disclosure to an authorized representative of the Maine Milk Commission of  
9 information on the quantity of packaged milk handled in the State and subject to the  
10 milk handling fee established in section 4902 and other information obtained by the  
11 assessor in the administration of chapter 721;
- 12 JJ. The disclosure to the State Purchasing Agent of a person's sales tax standing as  
13 necessary to enforce Title 5, section 1825-B, subsection 14;
- 14 KK. The disclosure of information necessary to administer the setoff of liquidated  
15 tax debts pursuant to section 185, ~~subsection 3~~;
- 16 LL. The disclosure to any state agency of information relating to the administration  
17 and collection of any debt transferred to the bureau for collection pursuant to section  
18 112-A;
- 19 MM. The disclosure to an authorized representative of the Department of Economic  
20 and Community Development of information required for the administration of the  
21 visual media production credit under section 5219-Y, the employment tax increment  
22 financing program under chapter 917, the visual media production reimbursement  
23 program under chapter 919-A or the Pine Tree Development Zone program under  
24 Title 30-A, chapter 206, subchapter 4;
- 25 NN. The disclosure to an authorized representative of the Wild Blueberry  
26 Commission of Maine of information required for or submitted to the assessor in  
27 connection with the administration of the tax imposed under chapter 701;
- 28 OO. The disclosure to duly authorized officers of the Federal Government and of  
29 other state governments of information necessary to administer a set-off agreement  
30 pursuant to section 112, subsection 13. The information may not be disclosed unless  
31 the officer's government permits a substantially similar disclosure of information to  
32 the taxing officials of this State and protects the confidentiality of the information in  
33 a manner substantially similar to that provided by this section;
- 34 PP. The disclosure to the Department of Agriculture, Conservation and Forestry of  
35 information contained on the commercial forestry excise tax return filed pursuant to  
36 section 2726, such as the landowner name, address and acreage, to facilitate the  
37 administration of chapter 367;
- 38 QQ. The disclosure of registration, reporting and payment information to the  
39 Department of Environmental Protection necessary for the administration of Title 38,  
40 chapter 33;
- 41 RR. The disclosure to the Finance Authority of Maine of the cumulative value of  
42 eligible premiums submitted for reimbursement pursuant to Title 10, section 1020-C;



- 1 SS. The disclosure of information to the Finance Authority of Maine necessary for  
2 the administration of the new markets capital investment credit in sections 2533 and  
3 5219-HH and to the Commissioner of Administrative and Financial Services as  
4 necessary for the execution of the memorandum of agreement pursuant to section  
5 5219-HH, subsection 3;
- 6 TT. The disclosure to tax officials of other states, and to clearinghouses and other  
7 administrative entities acting on behalf of participating states, of information  
8 necessary for the administration of a multistate agreement entered into pursuant to  
9 section 2532;
- 10 UU. The production in court on behalf of the assessor or any other party to an action  
11 or proceeding under this Title, or the production pursuant to a discovery request  
12 under the Maine Rules of Civil Procedure or a request under the freedom of access  
13 laws, of any reconsideration decision or advisory ruling issued on or after July 1,  
14 2012, in redacted format so as not to reveal information from which the taxpayer may  
15 be identified, except that federal returns and federal return information provided to  
16 the State by the Internal Revenue Service may not be disclosed except as permitted  
17 by federal law. A person requesting the production of any such document shall pay,  
18 at the time the request is made, all direct and indirect costs associated with the  
19 redacting of information from which the taxpayer or other interested party may be  
20 identified, plus an additional fee of \$100 per request;
- 21 VV. The disclosure by the assessor to the taxpayer advocate under section 151-C of  
22 information related to a petition for reconsideration filed by a taxpayer pursuant to  
23 section 151. The taxpayer advocate is prohibited from disclosing information  
24 obtained pursuant to this paragraph other than to the particular taxpayer to whom the  
25 information pertains;
- 26 WW. The disclosure of information to the Department of Inland Fisheries and  
27 Wildlife necessary for the administration of the credit for Maine fishery infrastructure  
28 investment under section 5216-D;
- 29 XX. The disclosure of information by the assessor to the board, except that such  
30 disclosure is limited to information that is pertinent to an appeal or other action or  
31 proceeding before the board;
- 32 YY. The inspection and disclosure of information by the board to the extent  
33 necessary to conduct appeals procedures pursuant to this Title and issue a decision on  
34 an appeal to the parties. The board may make available to the public redacted  
35 decisions that do not disclose the identity of a taxpayer or any information made  
36 confidential by state or federal statute;
- 37 ZZ. The disclosure by the State Tax Assessor to a qualified Pine Tree Development  
38 Zone business that has filed a claim for reimbursement under section 2016 of  
39 information related to any insufficiency of the claim, including records of a  
40 contractor or subcontractor that assigned the claim for reimbursement to the qualified  
41 Pine Tree Development Zone business and records of the vendors of the contractor or  
42 subcontractor;
- 43 ZZ. The disclosure by the State Tax Assessor to a qualified Pine Tree Development  
44 Zone business that has filed a claim for reimbursement under section 2016 of

1 information related to any insufficiency of the claim, including records of a  
2 contractor or subcontractor that assigned the claim for reimbursement to the qualified  
3 Pine Tree Development Zone business and records of the vendors of the contractor or  
4 subcontractor; and

5 AAA. The disclosure of information by the State Tax Assessor or the Associate  
6 Commissioner for Tax Policy to the Office of Program Evaluation and Government  
7 Accountability under Title 3, section 991 for the review and evaluation of tax  
8 expenditures pursuant to Title 3, chapter 37; and

9 AAA. The disclosure of information by the State Tax Assessor or the Associate  
10 Commissioner for Tax Policy to the Office of Program Evaluation and Government  
11 Accountability under Title 3, section 991 for the review and evaluation of tax  
12 expenditures pursuant to Title 3, chapter 37.

13 BBB. The disclosure to an authorized representative of the Department of  
14 Professional and Financial Regulation, Bureau of Insurance of information necessary  
15 to determine whether a long-term disability income protection plan or short-term  
16 disability income protection plan as described in section 5219-NN, subsection 1  
17 qualifies for the disability income protection plans in the workplace credit provided  
18 by section 5219-NN.

## 19 PART C

20 **Sec. C-1. 36 MRSA §305, sub-§1**, as amended by PL 2003, c. 426, §2, is further  
21 amended to read:

22 **1. Just value.** Certify to the Secretary of State before the first day of February each  
23 year the equalized just value of all real and personal property in each municipality and  
24 unorganized place that is subject to taxation under the laws of this State, ~~except that~~  
25 ~~percentage of captured assessed value located within a tax increment financing district~~  
26 ~~that is used to finance that district's development plan, the captured assessed value located~~  
27 ~~within a municipal affordable housing development district and the valuation amount by~~  
28 ~~which the current assessed value of commercial and industrial property within a~~  
29 ~~municipal incentive development zone, as determined in Title 30-A, section 5284,~~  
30 ~~exceeds the assessed value of commercial and industrial property within the zone as of~~  
31 ~~the date the zone is approved by the Commissioner of Economic and Community~~  
32 ~~Development, known in this subsection as the "sheltered value," up to the amount~~  
33 ~~invested by a municipality in infrastructure improvements under an infrastructure~~  
34 ~~improvement plan adopted pursuant to Title 30-A, section 5283. The equalized just value~~  
35 ~~must be uniformly assessed in each municipality and unorganized place and be based on~~  
36 ~~100% of the current market value. It must separately show for each municipality and~~  
37 ~~unorganized place the actual or estimated value of all real estate that is exempt from~~  
38 ~~property taxation by law or is the captured value within a tax increment financing district~~  
39 ~~that is used to finance that district's development plan, as reported on the municipal~~  
40 ~~valuation return filed pursuant to section 383, or that is the sheltered value of a municipal~~  
41 ~~incentive development zone. The valuation as filed remains in effect until the next~~  
42 ~~valuation is filed and is the basis for the computation and apportionment of the state and~~  
43 ~~county taxes;.~~ The equalized just value excludes the following:

1           A. That percentage of captured assessed value located within a tax increment  
2           financing district that is used to finance that district's development plan;

3           B. The captured assessed value located within a municipal affordable housing  
4           development district; and

5           C. The amount by which the current assessed value of commercial and industrial  
6           property within a municipal incentive development zone exceeds the assessed value  
7           of that property as of the date the development zone is approved by the  
8           Commissioner of Economic and Community Development. This excess value as  
9           determined under Title 30-A, chapter 208-A and referred to in this subsection as the  
10           "sheltered value" is limited to the amount invested by a municipality in infrastructure  
11           improvements pursuant to the infrastructure improvement plan adopted under Title  
12           30-A, chapter 208-A.

13           The equalized just value must be uniformly assessed in each municipality and  
14           unorganized place and be based on 100% of the current market value. The bureau's  
15           valuation documents must separately show for each municipality and unorganized place  
16           the actual or estimated value of all real estate that is exempt from property taxation by  
17           law or is the captured value within a tax increment financing district that is used to  
18           finance that district's development plan, as reported on the municipal valuation return  
19           filed pursuant to section 383, or that is the sheltered value of a municipal incentive  
20           development zone;

21           **Sec. C-2. 36 MRSA §327, sub-§3**, as amended by PL 2001, c. 583, §10, is  
22           further amended to read:

23           **3. Employment of assessor.** Any municipal assessing unit may employ a part-time,  
24           non-certified assessor or contract with a firm or organization that provides assessing  
25           services; when any municipal assessing unit or primary assessing area employs a full-  
26           time, professional assessor, this assessor must be certified by the ~~Bureau of Revenue~~  
27           ~~Services~~ bureau as a professionally trained assessor. The bureau shall publish, for the  
28           information of the municipalities, a ~~listing of certified assessors and list of~~ assessing firms  
29           or organizations. The bureau shall provide to a municipality, on request by the  
30           municipality, a list of certified assessors.

31           **Sec. C-3. 36 MRSA §576, first and 2nd ¶¶**, as amended by PL 1997, c. 504,  
32           §6, are further amended to read:

33           The State Tax Assessor shall determine the average annual net wood production rate  
34           for each forest type described in section 573, subsections 5 ~~to~~, 6 and 7, in each county or  
35           region to be used in determining valuations applicable to forest land under this  
36           subchapter, on the basis of the surveys of average annual growth rates applicable in the  
37           State made from time to time by the United States Forest Service or by the Maine  
38           Forestry Bureau. The growth rate surveys must be reduced by the percentage discount  
39           factor prescribed by section 576-B to reflect the growth that can be extracted on a  
40           sustained basis. The rates when determined remain in effect without change for each  
41           county through the property tax year ending March 31, 1975. In 1974 and in every 10th  
42           year thereafter, the State Tax Assessor shall review and set rates for the following 10-year  
43           period in the same manner.

1 The State Tax Assessor shall determine the average stumpage value for each forest  
2 type described in section 573, subsections 5 ~~to~~, 6 and 7, applicable in each county, or in  
3 alternative forest economic regions as the assessor designates, after passage of this  
4 subchapter and in each year thereafter, taking into consideration the prices upon sales of  
5 sound standing timber of that forest type in that area during the previous calendar year,  
6 and any other appropriate considerations.

7 **Sec. C-4. 36 MRSA §578, sub-§1**, as amended by PL 2011, c. 404, §1, is further  
8 amended to read:

9 **1. Organized areas.** The municipal assessors or chief assessor of a primary  
10 assessing area shall adjust the State Tax Assessor's 100% valuation per acre for each  
11 forest type of their county by whatever ratio, or percentage of current just value, is  
12 applied to other property within the municipality to obtain the assessed values. Forest  
13 land in the organized areas, subject to taxation under this subchapter, must be taxed at the  
14 property tax rate applicable to other property in the municipality.

15 The State Tax Assessor shall determine annually the amount of acreage in each  
16 municipality that is classified and taxed in accordance with this subchapter. Each  
17 municipality is entitled to annual payments distributed in accordance with this section  
18 from money appropriated by the Legislature if it submits an annual return in accordance  
19 with section 383 and if it achieves the minimum assessment ratio established in section  
20 327. The State Tax Assessor shall pay any municipal claim found to be in satisfactory  
21 form by ~~August 1st~~ October 15th of the year following the submission of the annual  
22 return. The municipal reimbursement appropriation is calculated on the basis of 90% of  
23 the per acre tax revenue lost as a result of this subchapter. For property tax years based  
24 on the status of property on April 1, 2008 and April 1, 2009, municipal reimbursement  
25 under this section is further limited to the amount appropriated by the Legislature and  
26 distributed on a pro rata basis by the State Tax Assessor for all timely filed claims. For  
27 purposes of this section, "classified forest lands" means forest lands classified pursuant to  
28 this subchapter as well as all areas identified as forested land within farmland parcels that  
29 are transferred from tree growth classification pursuant to section 1112 on or after  
30 October 1, 2011. For the purposes of this section, the tax lost is the tax that would have  
31 been assessed, but for this subchapter, on the classified forest lands if they were assessed  
32 according to the undeveloped acreage valuations used in the state valuation then in effect,  
33 or according to the current local valuation on undeveloped acreage, whichever is less,  
34 minus the tax that was actually assessed on the same lands in accordance with this  
35 subchapter, and adjusted for the aggregate municipal savings in required educational  
36 costs attributable to reduced state valuation. A municipality that fails to achieve the  
37 minimum assessment ratio established in section 327 loses 10% of the reimbursement  
38 provided by this section for each one percentage point the minimum assessment ratio falls  
39 below the ratio established in section 327.

40 The State Tax Assessor shall adopt rules necessary to implement the provisions of this  
41 section. Rules adopted pursuant to this subsection are routine technical rules for the  
42 purposes of Title 5, chapter 375, subchapter 2-A.

43 C. The State Tax Assessor shall distribute reimbursement under this section to each  
44 municipality in proportion to the product of the reduced tree growth valuation of the

1 municipality multiplied by the property tax burden of the municipality. For purposes  
2 of this paragraph, unless the context otherwise indicates, the following terms have the  
3 following meanings.

4 (1) "Property tax burden" means the total real and personal property taxes  
5 assessed in the most recently completed municipal fiscal year, except the taxes  
6 assessed on captured value within a tax increment financing district, divided by  
7 the latest state valuation certified to the Secretary of State.

8 (2) "Undeveloped land" means rear acreage and unimproved nonwaterfront  
9 acreage that is not:

10 (a) Classified under the laws governing current use valuation set forth in  
11 chapter 105, subchapter 2-A, 10 or 10-A;

12 (b) A base lot; or

13 (c) Waste land.

14 (3) "Average value of undeveloped land" means the per acre undeveloped land  
15 valuations used in the state valuation then in effect, or according to the current  
16 local valuation on undeveloped land as determined for state valuation purposes,  
17 whichever is less.

18 (4) "Reduced tree growth valuation" means the difference between the average  
19 value of undeveloped land and the average value of tree growth land times the  
20 total number of acres classified as forest land under this subchapter plus the total  
21 number of acres of forest land that is transferred from tree growth classification  
22 to farmland classification pursuant to section 1112 on or after October 1, 2011.

23 **Sec. C-5. 36 MRSA §603, sub-§1-A**, as enacted by PL 1987, c. 303, is amended  
24 to read:

25 **1-A. Cargo trailers.** A cargo trailer ~~shall~~ must be taxed in the place ~~where it is~~  
26 ~~primarily located~~ of its primary location on April 1st, even though the cargo trailer may  
27 not be present in that place on April 1st.

28 For purposes of this subsection, "primary location" means the place where the cargo  
29 trailer is usually based and where it regularly returns for repairs, supplies and activities  
30 related to its use.

31 **Sec. C-6. 36 MRSA §653, sub-§1, ¶E**, as repealed and replaced by PL 1995, c.  
32 462, Pt. A, §68, is amended to read:

33 E. The word "veteran" as used in this subsection means any person, male or female,  
34 who was ~~in active service~~ on active duty in the Armed Forces of the United States  
35 and who, if discharged, retired or separated from the Armed Forces, was discharged,  
36 retired or separated under other than dishonorable conditions.

37 **Sec. C-7. 36 MRSA §691, sub-§1, ¶A**, as amended by PL 2009, c. 571, Pt. II, §1  
38 and affected by §5, is further amended to read:

1 A. "Eligible business equipment" means qualified property that, in the absence of  
2 this subchapter, would first be subject to assessment under this Part on or after April  
3 1, 2008. "Eligible business equipment" includes, without limitation, repair parts,  
4 replacement parts, replacement equipment, additions, accessions and accessories to  
5 other qualified business property that first became subject to assessment under this  
6 Part before April 1, 2008 if the part, addition, equipment, accession or accessory  
7 would, in the absence of this subchapter, first be subject to assessment under this Part  
8 on or after April 1, 2008. "Eligible business equipment" also includes inventory  
9 parts. "Eligible business equipment" does not include property eligible for exemption  
10 under section 652.

11 "Eligible business equipment" does not include:

- 12 (1) Office furniture, including, without limitation, tables, chairs, desks,  
13 bookcases, filing cabinets and modular office partitions;
- 14 (2) Lamps and lighting fixtures used primarily for the purpose of providing  
15 general purpose office or worker lighting;
- 16 (3) Property owned or used by an excluded person;
- 17 (4) Telecommunications personal property subject to the tax imposed by section  
18 457;
- 19 (5) Gambling machines or devices, including any device, machine, paraphernalia  
20 or equipment that is used or usable in the playing phases of any gambling activity  
21 as that term is defined in Title 8, section 1001, subsection 15, whether that  
22 activity consists of gambling between persons or gambling by a person involving  
23 the playing of a machine. "Gambling machines or devices" includes, without  
24 limitation:
  - 25 (a) Associated equipment as defined in Title 8, section 1001, subsection 2;
  - 26 (b) Computer equipment used directly and primarily in the operation of a  
27 slot machine as defined in Title 8, section 1001, subsection 39;
  - 28 (c) An electronic video machine as defined in Title 17, section 1831,  
29 subsection 4;
  - 30 (d) Equipment used in the playing phases of lottery schemes; and
  - 31 (e) Repair and replacement parts of a gambling machine or device;
- 32 (6) Property located at a retail sales facility and used primarily in a retail sales  
33 activity unless the property is owned by a business that operates a retail sales  
34 facility in the State exceeding 100,000 square feet of interior customer selling  
35 space that is used primarily for retail sales and whose Maine-based operations  
36 derive less than 30% of their total annual revenue on a calendar year basis from  
37 sales that are made at a retail sales facility located in the State. For purposes of  
38 this subparagraph, the following terms have the following meanings:
  - 39 (a) "Primarily" means more than 50% of the time;
  - 40 (b) "Retail sales activity" means an activity associated with the selection and  
41 purchase of goods or services or the rental of tangible personal property.

1 "Retail sales activity" does not include production as defined in section 1752,  
2 subsection 9-B; and

3 (c) "Retail sales facility" means a structure used to serve customers who are  
4 physically present at the facility for the purpose of selecting and purchasing  
5 goods or services at retail or for renting tangible personal property. "Retail  
6 sales facility" does not include a separate structure that is used as a  
7 warehouse or call center facility;

8 (7) Property that is not entitled to an exemption by reason of the additional  
9 limitations imposed by subsection 2; or

10 (8) Personal property that would otherwise be entitled to exemption under this  
11 subchapter used primarily to support a telecommunications antenna used by a  
12 telecommunications business subject to the tax imposed by section 457.

13 **Sec. C-8. 36 MRSA §693, sub-§1**, as amended by PL 2013, c. 544, §1 and  
14 affected by §7, is further amended to read:

15 **1. Reporting.** On or before ~~May~~ April 1st of each year, a taxpayer claiming an  
16 exemption under this ~~section~~ subchapter shall file a report with the assessor of the taxing  
17 jurisdiction in which the property would otherwise be subject to taxation on April 1st of  
18 that year. The report must identify the property for which exemption is claimed that  
19 would otherwise be subject to taxation on April 1st of that year and must be made on a  
20 form prescribed by the State Tax Assessor or substitute form approved by the State Tax  
21 Assessor. The State Tax Assessor shall furnish copies of the form to each municipality in  
22 the State and the form must be made available to taxpayers prior to April 1st annually.  
23 The assessor of the taxing jurisdiction may require the taxpayer to sign the form and  
24 make oath to its truth. If the report is not filed by April 1st, the filing deadline is  
25 automatically extended to May 1st without the need for the taxpayer to request or the  
26 assessor to grant that extension. Upon written request, before the commitment of taxes,  
27 the assessor may ~~at any time~~ grant further extensions of time to file the report. If a  
28 taxpayer fails to file the report in a timely manner, including any extensions of time, the  
29 taxpayer may not obtain an exemption for that property under this subchapter for that tax  
30 year. The assessor of the taxing jurisdiction may require in writing that a taxpayer  
31 answer in writing all reasonable inquiries as to the property for which exemption is  
32 requested. A taxpayer has 30 days from receipt of such an inquiry to respond. Upon  
33 written request, a taxpayer is entitled to a 30-day extension to respond to the inquiry and  
34 the assessor may at any time grant additional extensions upon written request. The answer  
35 to any such inquiry is not binding on the assessor.

36 All notices and requests provided pursuant to this subsection must be made by personal  
37 delivery or certified mail and must conspicuously state the consequences of the taxpayer's  
38 failure to respond to the notice or request in a timely manner.

39 If an exemption has already been accepted and the State Tax Assessor subsequently  
40 determines that the property is not entitled to exemption, a supplemental assessment must  
41 be made within 3 years of the original assessment date with respect to the property in  
42 compliance with section 713, without regard to the limitations contained in that section  
43 regarding the justification necessary for a supplemental assessment.

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**Sec. C-9. 36 MRSA §1487, sub-§2**, as repealed and replaced by PL 2009, c. 434, §21, is amended to read:

**2. State Tax Assessor.** The State Tax Assessor shall appoint agents to collect the excise tax in the unorganized territory. Agents, including ~~municipalities designated as agents~~ municipal tax collectors or their designees, are allowed a fee of \$6 for each tax receipt issued. The State Tax Assessor may authorize the offset of credit card fees incurred in the collection of the excise taxes against the receipts from those collections. Agents shall deposit the remainder on or before the 20th day of each month following receipt with the Treasurer of State. The Treasurer of State shall make quarterly payments to each county in an amount that is equal to the receipts for that period from each county. Those payments must be made at the same time as payments under section 1606. County receipts under this section must be deposited in the county’s unorganized territory fund.

**Sec. C-10. 36 MRSA §6271, sub-§3**, as enacted by PL 2009, c. 489, §5, is amended to read:

**3. Effect of deferral.** If property taxes are deferred under the program, the lien established on the eligible homestead under section 552 continues for the purpose of protecting the municipal interest in the tax-deferred property. Interest on the deferred taxes accrues at the rate of ~~0.5%~~ 0.5 percentage points above the otherwise applicable rate for delinquent taxes. In order to preserve the right to enforce the lien, the municipality shall record in the county registry of deeds a list of the tax-deferred properties of that municipality. The list must contain a description of each tax-deferred property as listed in the municipal valuation together with the name of the taxpayer listed on the valuation. The list must be updated annually to reflect the addition or deletion of tax-deferred properties, the amount of deferred taxes accrued for each property and payments received.

The recording of the tax-deferred properties under this subsection is notice that the municipality claims a lien against those properties in the amount of the deferred taxes plus interest together with any fees paid to the county registry of deeds in connection with the recording. For a property deleted from the list, the recording serves as notice of release or satisfaction of the lien, even though the amount of taxes, interest or fees is not listed.

**Sec. C-11. 36 MRSA §6656, sub-§1-A, ¶B**, as enacted by PL 2015, c. 239, §2, is amended to read:

B. The municipal tax collector certifies to the State Tax Assessor or, in the case of the unorganized territory, the State Tax Assessor determines that the taxpayer is delinquent in the payment of personal property taxes. Certification by the municipal tax collector must be made on a form prescribed by the State Tax Assessor and list the tax and interest due and the year for which it is due. The certification by the municipal tax collector or determination by the State Tax Assessor must be made from July 1st to July 15th ~~of~~ in the same year as the application for which the reimbursement is to be suspended.



1 **PART D**

2 **Sec. D-1. 35-A MRSA §7104-C, sub-§2, ¶H,** as enacted by PL 2011, c. 600, §7  
3 and affected by §10, is repealed.

4 **Sec. D-2. 36 MRSA §1752, sub-§3-B, ¶B,** as enacted by PL 2015, c. 267, Pt.  
5 OOOO, §2 and affected by §7, is amended to read:

6 B. Medicines, tonics, vitamins and preparations ~~in liquid, powdered, granular, tablet,~~  
7 ~~capsule, lozenge or pill form,~~ sold as dietary supplements or adjuncts, except when  
8 sold on the prescription of a physician;

9 **Sec. D-3. 36 MRSA §1752, sub-§8-A, ¶C,** as enacted by PL 2001, c. 439, Pt.  
10 TTTT, §1 and affected by §3, is amended to read:

11 C. All food and drinks sold ~~from an establishment whose~~ by a retailer at a particular  
12 retail location when the sales of food and drinks at that location that are prepared by  
13 the retailer account for more than 75% of the ~~establishment's~~ gross receipts reported  
14 with respect to that location by the retailer.

15 **Sec. D-4. 36 MRSA §1752, sub-§8-D,** as enacted by PL 2015, c. 495, §1 and  
16 affected by §4, is repealed.

17 **Sec. D-5. 36 MRSA §1760, sub-§5-A,** as amended by PL 2015, c. 495, §3 and  
18 affected by §4, is repealed and the following enacted in its place:

19 **5-A. Prosthetic or orthotic devices. Sales of:**

20 A. Prosthetic or orthotic devices sold by means of an order issued by a health care  
21 practitioner as defined in Title 24, section 2502, subsection 1-A who is licensed under  
22 Title 32; and

23 B. Crutches and wheelchairs for the use of sick, injured or disabled persons and not  
24 for rental.

25 **Sec. D-6. 36 MRSA §1760, sub-§20,** as amended by PL 2007, c. 438, §37, is  
26 repealed and the following enacted in its place:

27 **20. Continuous residence; refunds and credits. Rental charged to the following:**

28 A. An individual who resides continuously for 28 days or more at any one hotel,  
29 rooming house, tourist camp or trailer camp, if the individual does not maintain a  
30 primary residence at some other location or is residing away from the individual's  
31 primary residence in connection with employment or education; and

32 B. A person that rents living quarters for 28 or more consecutive days, when the  
33 living quarters are used by the person's employees in connection with their  
34 employment.

35 Any tax paid by an individual or person specified in paragraph A or B during the initial  
36 28-day period must be refunded by the retailer. If the tax has been reported and paid to

1 the State by the retailer, it may be taken as a credit by the retailer on the return filed by  
2 the retailer covering the month in which the refund was made.

3 **Sec. D-7. 36 MRSA §1761**, as amended by PL 1979, c. 541, Pt. A, §221, is  
4 further amended to read:

5 **§1761. Advertising of payment by retailer**

6 It ~~shall be~~ is unlawful for any retailer to advertise or hold out or state to the public or  
7 to any consumer, directly or indirectly, that the tax or any part ~~thereof of the tax~~ imposed  
8 by chapters 211 to 225 will be assumed or absorbed by the retailer, or that it will not be  
9 added to or included in the ~~selling sale~~ price of the property or service sold, or if added or  
10 included that it or any part ~~thereof of the tax~~ will be refunded. Any person violating any  
11 part of this section ~~shall be guilty of~~ commits a Class E crime.

12 **Sec. D-8. 36 MRSA §1814, sub-§2**, as amended by PL 1979, c. 378, §9, is  
13 further amended to read:

14 **2. Tax liability subject to assessment, collection and enforcement.** The tax  
15 liability specified in subsection 1 ~~shall be~~ is subject to assessment, collection and  
16 enforcement by the ~~State Tax Assessor~~ assessor in the manner provided in chapters 7 and  
17 211 to 225.

18 **Sec. D-9. 36 MRSA §1814, sub-§3**, as amended by PL 1987, c. 772, §23, is  
19 repealed.

20 **Sec. D-10. 36 MRSA §2011**, as amended by PL 2013, c. 331, Pt. C, §10 and  
21 affected by §41, is repealed and the following enacted in its place:

22 **§2011. Overpayment; refunds**

23 **1. Generally.** A person who has made an overpayment of tax imposed by this Part  
24 may request a credit or refund of that overpayment, whether the overpayment is  
25 attributable to the tax having been paid more than once or to the tax having been  
26 erroneously or illegally collected or computed. A taxpayer may not apply for a refund of  
27 any amount assessed when any administrative or judicial review of that assessment under  
28 section 151 has been completed or is otherwise no longer available. A credit or refund is  
29 not allowed unless within 3 years from the date of overpayment either a written petition  
30 stating the grounds upon which the credit or refund is claimed is filed with the assessor or  
31 the overpayment is discovered on audit. The overpayment must be credited by the  
32 assessor on any taxes then due from the person and the balance credited or refunded to  
33 the taxpayer or the taxpayer's successor in interest. At the election of the assessor, unless  
34 the taxpayer specifically requests a cash refund, the refund may be credited to the  
35 taxpayer's sales and use tax account.

36 A taxpayer who is aggrieved as a result of the decision of the assessor on a petition filed  
37 under this section may request reconsideration of that decision in the same manner and  
38 under the same conditions as in the case of assessments made under chapter 7. The  
39 decision of the assessor upon a written request for refund becomes final as to law and fact

1 in the same manner and under the same conditions as in the case of assessments made  
2 under chapter 7.

3 **2. Evidence of overpayment.** A purchaser that has made an overpayment of tax to a  
4 retailer must include with the petition evidence that shows to the satisfaction of the  
5 assessor that the retailer has declined or refused to credit or refund the overpayment. A  
6 retailer that has collected an overpayment of tax from a purchaser must include with the  
7 petition evidence that shows to the satisfaction of the assessor that the overpayment in  
8 question has been credited or refunded by the retailer to the purchaser from whom it was  
9 originally collected.

10 **3. Interest.** Interest at the rate determined pursuant to section 186 must be paid on  
11 any balance credited or refunded by the assessor from the date the written petition  
12 requesting credit or refund of the overpayment was properly filed or the date of the  
13 overpayment, whichever is later. In the case of a credit, no further interest may accrue  
14 from the date of that election.

15 **Sec. D-11. 36 MRSA §2013, sub-§2,** as amended by PL 2015, c. 481, Pt. B, §1  
16 and affected by §2, is further amended to read:

17 **2. Refund authorized.** Any person, association of persons, firm or corporation that  
18 purchases electricity or fuel, or that purchases or leases depreciable machinery or  
19 equipment, for use in commercial agricultural production, commercial fishing,  
20 commercial aquacultural production or commercial wood harvesting must be refunded  
21 the amount of sales tax paid upon presenting to the State Tax Assessor evidence that the  
22 purchase is eligible for refund under this section.

23 Evidence required by the assessor may include a copy or copies of that portion of the  
24 purchaser's or lessee's most recent filing under the United States Internal Revenue Code  
25 that indicates that the purchaser or lessee is engaged in commercial agricultural  
26 production, commercial fishing, commercial aquacultural production or commercial  
27 wood harvesting and that the purchased machinery or equipment is depreciable for those  
28 purposes or would be depreciable for those purposes if owned by the lessee.

29 In the event that any piece of machinery or equipment is only partially depreciable under  
30 the United States Internal Revenue Code, any reimbursement of the sales tax must be  
31 prorated accordingly. In the event that electricity or fuel is used in qualifying and  
32 nonqualifying activities, any reimbursement of the sales tax must be prorated  
33 accordingly.

34 Application for refunds must be filed with the assessor within 36 months of the date of  
35 purchase or execution of the lease. Interest may not be paid with respect to a refund  
36 made pursuant to this subsection.

37 **Sec. D-12. 36 MRSA §2551, sub-§6,** as amended by PL 2005, c. 218, §32, is  
38 further amended to read:

39 **6. Mobile telecommunications services.** "Mobile telecommunications services"  
40 means commercial mobile radio service as defined in 47 Code of Federal Regulations,  
41 Section 20.3 as in effect ~~on June 1, 1999~~ October 1, 2015. For purposes of sourcing,

1 "mobile telecommunications services" does not include air-ground radiotelephone service  
2 as defined in 47 Code of Federal Regulations, Section 22.99 as in effect ~~on June 1, 1999~~  
3 October 1, 2015.

4 **Sec. D-13. Retroactivity.** That section of this Part that amends the Maine  
5 Revised Statutes, Title 36, section 1760, subsection 5-A applies retroactively to sales  
6 occurring on or after October 1, 2016.

7 **PART E**

8 **Sec. E-1. 36 MRSA §5122, sub-§1, ¶II,** as amended by PL 2015, c. 388, Pt. A,  
9 §3 and c. 490, §5, is further amended to read:

10 II. For taxable years beginning in 2014:

11 (1) An amount equal to the net increase in depreciation attributable to the  
12 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)  
13 with respect to property placed in service in the State during the taxable year for  
14 which a credit is claimed under section 5219-MM for that taxable year; and

15 (2) An amount equal to the net increase in depreciation attributable to the  
16 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)  
17 with respect to property for which a credit is not claimed under section  
18 5219-MM; and

19 **Sec. E-2. 36 MRSA §5122, sub-§1, ¶JJ,** as amended by PL 2015, c. 490, §6 and  
20 c. 494, Pt. B, §5, is repealed.

21 **Sec. E-3. 36 MRSA §5122, sub-§2, ¶X,** as amended by PL 2015, c. 300, Pt. A,  
22 §39, is further amended to read:

23 X. The taxpayer's pro rata share of an amount that was previously added back to  
24 federal taxable income pursuant to section 5200-A, subsection 1, paragraph N;  
25 section 5200-A, subsection 1, paragraph T; section 5200-A, subsection 1, paragraph  
26 Y, subparagraph (2); section 5200-A, subsection 1, paragraph AA, subparagraph (2);  
27 ~~or~~ section 5200-A, subsection 1, paragraph BB; or section 5200-A, subsection 1,  
28 paragraph CC, subparagraph (2) by a corporation of which the taxpayer is a  
29 shareholder and by which, absent an S corporation election, the corporation could  
30 have reduced its federal taxable income for the taxable year pursuant to section  
31 5200-A, subsection 2, paragraph M, R, V, Y ~~or~~ Z or AA;

32 **Sec. E-4. 36 MRSA §5122, sub-§2, ¶BB,** as amended by PL 2015, c. 382, §3, is  
33 repealed.

34 **Sec. E-5. 36 MRSA §5124-B, first ¶,** as enacted by PL 2015, c. 267, Pt. DD,  
35 §14, is amended to read:

36 For tax years beginning on or after January 1, 2016, the standard deduction of a  
37 resident individual is equal to the sum of the basic standard deduction and any additional  
38 standard deduction, subject to the phase-out under subsection 3.

1           **Sec. E-6. 36 MRSA §5124-B, sub-§3** is enacted to read:

2           **3. Phase-out.** The total standard deduction of the taxpayer determined in accordance  
3 with subsections 1 and 2 must be reduced by an amount equal to the total standard  
4 deduction multiplied by the following fraction:

5           A. For single individuals and married persons filing separate returns, the numerator  
6 is the taxpayer's Maine adjusted gross income less \$70,000, except that the numerator  
7 may not be less than zero, and the denominator is \$75,000. In no case may the  
8 fraction contained in this paragraph produce a result that is more than one. The  
9 \$70,000 amount used to calculate the numerator in this paragraph must be adjusted  
10 for inflation in accordance with section 5403, subsection 4;

11           B. For individuals filing as heads of households, the numerator is the taxpayer's  
12 Maine adjusted gross income less \$105,000, except that the numerator may not be  
13 less than zero, and the denominator is \$112,500. In no case may the fraction  
14 contained in this paragraph produce a result that is more than one. The \$105,000  
15 amount used to calculate the numerator in this paragraph must be adjusted for  
16 inflation in accordance with section 5403, subsection 4; or

17           C. For individuals filing married joint returns or surviving spouses, the numerator is  
18 the taxpayer's Maine adjusted gross income less \$140,000, except that the numerator  
19 may not be less than zero, and the denominator is \$150,000. In no case may the  
20 fraction contained in this paragraph produce a result that is more than one. The  
21 \$140,000 amount used to calculate the numerator in this paragraph must be adjusted  
22 for inflation in accordance with section 5403, subsection 4.

23           **Sec. E-7. 36 MRSA §5125, sub-§6** is enacted to read:

24           **6. Phase-out.** For tax years beginning on or after January 1, 2016, the total itemized  
25 deductions of the taxpayer determined in accordance with subsections 1 through 4 must  
26 be reduced by an amount equal to the total itemized deductions multiplied by the  
27 following fraction:

28           A. For single individuals and married persons filing separate returns, the numerator  
29 is the taxpayer's Maine adjusted gross income less \$70,000, except that the numerator  
30 may not be less than zero, and the denominator is \$75,000. In no case may the  
31 fraction contained in this paragraph produce a result that is more than one. The  
32 \$70,000 amount used to calculate the numerator in this paragraph must be adjusted  
33 for inflation in accordance with section 5403, subsection 4;

34           B. For individuals filing as heads of households, the numerator is the taxpayer's  
35 Maine adjusted gross income less \$105,000, except that the numerator may not be  
36 less than zero, and the denominator is \$112,500. In no case may the fraction  
37 contained in this paragraph produce a result that is more than one. The \$105,000  
38 amount used to calculate the numerator in this paragraph must be adjusted for  
39 inflation in accordance with section 5403, subsection 4; or

40           C. For individuals filing married joint returns or surviving spouses, the numerator is  
41 the taxpayer's Maine adjusted gross income less \$140,000, except that the numerator  
42 may not be less than zero, and the denominator is \$150,000. In no case may the

1 fraction contained in this paragraph produce a result that is more than one. The  
2 \$140,000 amount used to calculate the numerator in this paragraph must be adjusted  
3 for inflation in accordance with section 5403, subsection 4.

4 **Sec. E-8. 36 MRSA §5217-D, sub-§3**, as amended by PL 2015, c. 328, §7, is  
5 further amended to read:

6 **3. Calculation of the credit; qualified individuals.** Subject to subsection 2 and  
7 except as provided in this subsection, the credit with respect to a qualified individual is  
8 equal to the amount determined under paragraph A or paragraph B, whichever is less,  
9 multiplied by the proration factor:

10 A. The benchmark loan payment multiplied by the number of months during the  
11 taxable year in which the taxpayer made loan payments; or

12 B. The monthly loan payment amount multiplied by the number of months during  
13 the taxable year in which the taxpayer made loan payments.

14 The credit under this subsection for a qualified individual under subsection 1, paragraph  
15 G, subparagraph (1), division (a) who transferred to an accredited Maine community  
16 college, college or university from an accredited non-Maine community college, college  
17 or university after December 31, 2012 but before January 1, 2016 and who earned no  
18 more than 30 credit hours of course work toward the degree at an accredited non-Maine  
19 community college, college or university is equal to 50% of the amount otherwise  
20 determined under this section in the case of an associate degree and equal to 75% of the  
21 amount otherwise determined under this section in the case of a bachelor's degree.

22 Notwithstanding subsection 2, paragraph C, the credit under this subsection is refundable  
23 to the extent the credit is based on loans included in the financial aid package acquired to  
24 obtain a bachelor's degree or associate degree in science, technology, engineering or  
25 mathematics. For tax years beginning on or after January 1, 2016, the credit under this  
26 subsection is refundable to the extent the credit is based on loans included in the financial  
27 aid package acquired to obtain an associate degree.

28 For purposes of this subsection, the proration factor is the amount derived by dividing the  
29 total number of academic credit hours earned for a an associate, bachelor's or associate  
30 graduate degree after December 31, 2007 by the total number of academic credit hours  
31 earned for the associate, bachelor's or associate graduate degree.

32 **Sec. E-9. 36 MRSA §5275**, as amended by PL 1979, c. 378, §44, is repealed.

33 **Sec. E-10. 36 MRSA §5403, sub-§4**, as enacted by PL 2015, c. 267, Pt. DD, §33,  
34 is amended to read:

35 **4. Individual income tax standard deduction and itemized deduction phase-out.**  
36 Beginning in 2017 and each year thereafter, by the dollar amount contained in the  
37 numerator of the fraction specified in section ~~5122, subsection 1, paragraph JJ,~~  
38 ~~subparagraphs (1), (2) and (3) 5124-B, subsection 3, paragraphs A, B and C and section~~  
39 5125, subsection 6, paragraphs A, B and C, except that for the purposes of this  
40 subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment"  
41 is the Chained Consumer Price Index for the 12-month period ending June 30th of the

1 preceding calendar year divided by the Chained Consumer Price Index for the 12-month  
2 period ending June 30, 2016;

3 **Sec. E-11. Retroactivity.** This Part applies retroactively to tax years beginning  
4 on or after January 1, 2016.

5 **PART F**

6 **Sec. F-1. 36 MRSA §5122, sub-§1, ¶S,** as corrected by RR 2003, c. 2, §117, is  
7 repealed.

8 **Sec. F-2. 36 MRSA §5122, sub-§1, ¶V,** as repealed and replaced by PL 2007, c.  
9 437, §15, is repealed.

10 **Sec. F-3. 36 MRSA §5216-B, sub-§2,** as amended by PL 2015, c. 300, Pt. A,  
11 §41, is further amended to read:

12 **2. Credit.** An investor is entitled to a credit against the tax otherwise due under this  
13 Part equal to the amount of the tax credit certificate issued by the Finance Authority of  
14 Maine in accordance with Title 10, section 1100-T and as limited by this section. Except  
15 with respect to tax credit certificates issued under Title 10, section 1100-T, subsection  
16 2-C, in the case of partnerships, limited liability companies, S corporations, nontaxable  
17 trusts and any other entities that are treated as flow-through entities for tax purposes  
18 under the Code, the individual partners, members, stockholders, beneficiaries or equity  
19 owners of such entities must be treated as the investors under this section and are allowed  
20 a credit against the tax otherwise due from them under this Part in proportion to their  
21 respective interests in those partnerships, limited liability companies, S corporations,  
22 trusts or other flow-through entities. Except as limited or authorized by subsection 3 or 4,  
23 25% of the credit must be taken in the taxable year in which the investment is made and  
24 25% per year must be taken in each of the next 3 taxable years. With respect to tax credit  
25 certificates issued under Title 10, section 1100-T, subsection 2-C, the credits are ~~fully~~  
26 refundable and the investor shall file a return requesting a refund for an investment for  
27 which it has received a tax credit certificate in the calendar year following the calendar  
28 year during which the investment was made.

29 **Sec. F-4. 36 MRSA §5217-B,** as amended by PL 1999, c. 521, Pt. C, §7 and  
30 affected by §9, is repealed.

31 **Sec. F-5. 36 MRSA §5219-P,** as amended by PL 2005, c. 519, Pt. PPP, §§1 and 2,  
32 is repealed.

33 **Sec. F-6. 36 MRSA §5219-BB, sub-§6,** as enacted by PL 2007, c. 539, Pt. WW,  
34 §4, is amended to read:

35 **6. Credit refundable.** The credit allowed under this section is ~~fully~~ refundable.

36 **Sec. F-7. 36 MRSA §5219-CC,** as enacted by PL 2007, c. 693, §33 and affected  
37 by §37, is repealed.





1 not less than \$0. The reduction does not apply to benefits paid under a military  
2 retirement plan; or

3 (2) The aggregate of pension benefits under employee retirement plans included  
4 in the individual's federal adjusted gross income.

5 For purposes of this paragraph, the following terms have the following meanings.  
6 "Primary recipient" means the individual upon whose earnings the employee  
7 retirement plan benefits are based or the surviving spouse of that individual.  
8 "Pension benefits" means employee retirement plan benefits reported as pension or  
9 annuity income for federal income tax purposes. "Employee retirement plan" means  
10 a state, federal or military retirement plan or any other retirement benefit plan  
11 established and maintained by an employer for the benefit of its employees under the  
12 Code, Section 401(a), Section 403 or Section 457(b), except that distributions made  
13 pursuant to a Section 457(b) plan are not eligible for the deduction provided by this  
14 paragraph if they are made prior to age 55 and are not part of a series of substantially  
15 equal periodic payments made for the life of the primary recipient or the joint lives of  
16 the primary recipient and that recipient's designated beneficiary. "Employee  
17 retirement plan" does not include an individual retirement account under Section 408  
18 of the Code, a Roth IRA under Section 408A of the Code, a rollover individual  
19 retirement account, a simplified employee pension under Section 408(k) of the Code  
20 or an ineligible deferred compensation plan under Section 457(f) of the Code.  
21 Pension benefits under an employee retirement plan do not include distributions that  
22 are subject to the tax imposed by the Code, Section 72(t). "Military retirement plan"  
23 means benefits received as a result of service in the active or reserve components of  
24 the United States Army, Navy, Air Force, Marines or Coast Guard.

25 This paragraph does not apply to tax years beginning on or after January 1, 2014;

26 **Sec. I-2. 36 MRSA §5122, sub-§2, ¶M-1**, as amended by PL 2015, c. 382, §1, is  
27 further amended to read:

28 M-1. For tax years beginning on or after January 1, 2014 but before January 1, 2016,  
29 for each individual who is a primary recipient of retirement plan benefits under an  
30 employee retirement plan or an individual retirement account, an amount that is the  
31 lesser of the aggregate of retirement plan benefits under employee retirement plans or  
32 individual retirement accounts included in the individual's federal adjusted gross  
33 income and the pension deduction amount reduced by the total amount of the  
34 individual's social security benefits and railroad retirement benefits paid by the  
35 United States, but not less than \$0. The social security benefits and railroad  
36 retirement benefits reduction does not apply to benefits paid under a military  
37 retirement plan.

38 For purposes of this paragraph, the following terms have the following meanings.

39 (1) "Employee retirement plan" means a state, federal or military retirement plan  
40 or any other retirement benefit plan established and maintained by an employer  
41 for the benefit of its employees under the Code, Section 401(a), Section 403 or  
42 Section 457(b), except that distributions made pursuant to a Section 457(b) plan  
43 are not eligible for the deduction provided by this paragraph if they are made  
44 prior to age 55 and are not part of a series of substantially equal periodic

1 payments made for the life of the primary recipient or the joint lives of the  
2 primary recipient and that recipient's designated beneficiary.

3 (2) "Individual retirement account" means an individual retirement account  
4 under Section 408 of the Code, a Roth IRA under Section 408A of the Code, a  
5 simplified employee pension under Section 408(k) of the Code or a simple  
6 retirement account for employees under Section 408(p) of the Code.

7 (3) "Military retirement plan" means retirement plan benefits received as a result  
8 of service in the active or reserve components of the United States Army, Navy,  
9 Air Force, Marines or Coast Guard.

10 (4) "Pension deduction amount" means \$10,000.

11 (5) "Primary recipient" means the individual upon whose earnings or  
12 contributions the retirement plan benefits are based or the surviving spouse of  
13 that individual.

14 (6) "Retirement plan benefits" means employee retirement plan benefits, except  
15 pick-up contributions for which a subtraction is allowed under paragraph E,  
16 reported as pension or annuity income for federal income tax purposes and  
17 individual retirement account benefits reported as individual retirement account  
18 distributions for federal income tax purposes. "Retirement plan benefits" does  
19 not include distributions that are subject to the tax imposed by the Code, Section  
20 72(t);

21 **Sec. I-3. 36 MRSA §5122, sub-§2, ¶M-2**, as amended by PL 2015, c. 382, §2  
22 and c. 390, §8, is further amended to read:

23 M-2. For tax years beginning on or after January 1, 2016:

24 (1) For each individual who is a primary recipient of retirement plan benefits, the  
25 reduction is the sum of:

26 (a) Excluding military retirement plan benefits, an amount that is the lesser  
27 of:

28 (i) The aggregate of retirement plan benefits under employee retirement  
29 plans or individual retirement accounts included in the individual's  
30 federal adjusted gross income; and

31 (ii) The pension deduction amount reduced by the total amount of the  
32 individual's social security benefits and railroad retirement benefits paid  
33 by the United States, but not less than \$0; and

34 (b) An amount equal to the aggregate of retirement benefits under military  
35 retirement plans included in the individual's federal adjusted gross income;  
36 and

37 (2) For purposes of this paragraph, the following terms have the following  
38 meanings.

39 (a) "Employee retirement plan" means a state, federal or military retirement  
40 plan or any other retirement benefit plan established and maintained by an  
41 employer for the benefit of its employees under the Code, Section 401(a),

1 Section 403 or Section 457(b), except that distributions made pursuant to a  
2 Section 457(b) plan are not eligible for the deduction provided by this  
3 paragraph if they are made prior to age 55 and are not part of a series of  
4 substantially equal periodic payments made for the life of the primary  
5 recipient or the joint lives of the primary recipient and that recipient's  
6 designated beneficiary.

7 (b) "Individual retirement account" means an individual retirement account  
8 under Section 408 of the Code, a Roth IRA under Section 408A of the Code,  
9 a simplified employee pension under Section 408(k) of the Code or a simple  
10 retirement account for employees under Section 408(p) of the Code.

11 (c) "Military retirement plan" means retirement plan benefits received as a  
12 result of service in the active or reserve components of the United States  
13 Army, Navy, Air Force, Marines or Coast Guard.

14 (d) "Pension deduction amount" means \$10,000.

15 (e) "Primary recipient" means the individual upon whose earnings or  
16 contributions the retirement plan benefits are based or the surviving spouse of  
17 that individual.

18 (f) "Retirement plan benefits" means employee retirement plan benefits,  
19 except pick-up contributions for which a subtraction is allowed under  
20 paragraph E, reported as pension or annuity income for federal income tax  
21 purposes and individual retirement account benefits reported as individual  
22 retirement account distributions for federal income tax purposes.  
23 "Retirement plan benefits" does not include distributions that are subject to  
24 the tax imposed by the Code, Section 72(t);

## 25 SUMMARY

26 This bill makes technical changes to correct and update cross-references, correct  
27 clerical errors, resolve statutory numbering conflicts, improve syntax and repeal  
28 unnecessary and expired language. In addition, this bill does the following.

29 1. It requires a person filing a statement of appeal with the Board of Tax Appeals or  
30 a petition for review with the Superior Court to serve the statement or petition by certified  
31 mail, return receipt requested, upon the Attorney General and the Department of  
32 Administrative and Financial Services, Bureau of Revenue Services.

33 2. It restricts the disclosure and use of confidential information provided by the  
34 bureau to persons, agencies and organizations for the purposes specified in the  
35 exemptions to Maine's confidentiality statute.

36 3. It removes the requirement that the bureau publish a list of certified assessors that  
37 the bureau maintains. Instead, the bureau is required to provide the list to municipalities  
38 upon request.

39 4. It changes the due date for the annual distribution to municipalities for revenue  
40 lost under the Maine Tree Growth Tax Law from August 1st to October 15th.

1           5. It clarifies that certain property of institutions and organizations that is exempt  
2 from property taxes under the Maine Revised Statutes, Title 36, section 652 is not exempt  
3 under the business equipment tax exemption program.

4           6. It clarifies that the report due under the business equipment tax exemption  
5 program is due on April 1st, which, under current law, is automatically extended to May  
6 1st if the report is not received by April 1st. It also requires a request for further extension  
7 to be submitted to the assessor of the taxing jurisdiction before the commitment of taxes.

8           7. It makes minor changes to the language requiring the municipal tax collector to  
9 certify the delinquency between July 1st and July 15th in the same year the taxpayer  
10 applies for the reimbursement.

11           8. It clarifies that the definition of "prescription" for purposes of the exemption from  
12 the sales and use tax for prosthetic or orthotic devices.

13           9. It describes more accurately the evidence of overpayment of sales tax that must be  
14 presented by a purchaser or retailer when requesting a refund of an overpayment of sales  
15 tax. This clarification is consistent with long-standing administrative practice.

16           10. It reallocates the statutory provisions governing the phase-out of Maine standard  
17 and itemized deductions to those sections of law governing the calculation of Maine  
18 standard and itemized deductions.

19           11. It updates references in the statutory provision governing the subtraction  
20 modification that allows an individual who is an owner of an electing S corporation to  
21 recapture the bonus depreciation add-backs made by the business in prior years when it  
22 was treated as a C corporation for federal and Maine income tax purposes. This change  
23 reflects long-standing statutory and administrative practice.

24           12. It repeals the penalty for falsifying itemized deductions and wages with respect  
25 to withholding allowances. This penalty is not currently used, as taxpayers are also  
26 subject to penalties for failure to pay taxes timely and for excessive refunds, negligence  
27 and fraud.

28           13. It clarifies that the military retirement plan income tax subtractions apply to  
29 benefits received from service in the United States military.