

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1817

H.P. 1294

House of Representatives, June 3, 2019

An Act To Make Technical Changes to the Maine Tax Laws

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 "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative TIPPING of Orono.

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

2 **PART A**

3 **Sec. A-1. 36 MRSA §208**, as amended by PL 2017, c. 288, Pt. A, §36, is further
4 amended to read:

5 **§208. Equalization**

6 The State Tax Assessor has the duty of equalizing the state and county taxes among
7 ~~the several towns~~ all municipalities and ~~the~~ unorganized territory. The State Tax
8 Assessor shall equalize and adjust the assessment list of each ~~town~~ municipality, by
9 adding to or deducting from it such amount as will make it equal to its just value as of
10 April 1st. Notice of the proposed valuations of municipalities within each county must be
11 sent annually by certified mail to the chair of the board of assessors, and chair of the
12 board of selectmen in municipalities having selectmen, of each municipality within that
13 county on or before the first day of October. The valuation so determined is subject to
14 review by the State Board of Property Tax Review pursuant to subchapter 2-A, but the
15 valuation finally certified to the Secretary of State pursuant to section 381 must be used
16 for all computations required by law to be based upon the state valuation with respect to
17 municipalities.

18 **Sec. A-2. 36 MRSA §381**, as corrected by RR 2013, c. 2, §44, is amended to read:

19 **§381. State valuation; definition; to be filed with Bureau of Revenue Services**
20 **annually**

21 The term "state valuation" as used in reference to the unorganized territory in this
22 Title, except in this chapter and chapter 105, means an annual valuation of all property
23 subject to a Maine property tax but not taxable by a municipality. The annual valuation is
24 to be completed by and on file in the office of the Bureau of Revenue Services prior to
25 the assessment of the annual property tax in the unorganized territory. The annual
26 valuation is to be based on the status of property on April 1st. In this chapter, in chapter
27 105 and outside of this Title, the term "state valuation" means the valuation filed with the
28 Secretary of State pursuant to section 305, subsection 1.

29 **Sec. A-3. 36 MRSA §506-A**, as amended by PL 2009, c. 434, §14, is further
30 amended to read:

31 **§506-A. Overpayment of taxes**

32 Except as provided in section 506, a taxpayer who pays an amount in excess of that
33 finally assessed must be repaid the amount of the overpayment plus interest from the date
34 of overpayment at a rate to be established by the municipality. The rate of interest may
35 not exceed the interest rate established by the municipality for delinquent taxes nor may it
36 be less than that rate reduced by 4% 4 percentage points. If a municipality fails to
37 establish a rate of interest for overpayments of taxes, it shall pay interest at the rate it has
38 established for delinquent taxes.

1 **Sec. A-4. 36 MRSA §691, sub-§1, ¶A**, as repealed and replaced by PL 2017, c.
2 475, Pt. A, §61, is amended to read:

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

13 "Eligible business equipment" does not include:

14 (1) Office furniture, including, without limitation, tables, chairs, desks,
15 bookcases, filing cabinets and modular office partitions;

16 (2) Lamps and lighting fixtures used primarily for the purpose of providing
17 general purpose office or worker lighting;

18 (3) Property owned or used by an excluded person;

19 (4) Telecommunications personal property subject to the tax imposed by section
20 457;

21 (5) Gambling machines or devices, including any device, machine, paraphernalia
22 or equipment that is used or usable in the playing phases of any gambling activity
23 as that term is defined in Title 8, section 1001, subsection 15, whether that
24 activity consists of gambling between persons or gambling by a person involving
25 the playing of a machine. "Gambling machines or devices" includes, without
26 limitation:

27 (a) Associated equipment as defined in Title 8, section 1001, subsection 2;

28 (b) Computer equipment used directly and primarily in the operation of a
29 slot machine as defined in Title 8, section 1001, subsection 39;

30 (c) An electronic video machine as defined in Title 17, section 1831,
31 subsection 4;

32 (d) Equipment used in the playing phases of lottery schemes; and

33 (e) Repair and replacement parts of a gambling machine or device;

34 (6) Property located at a retail sales facility and used primarily in a retail sales
35 activity unless the property is owned by a business that operates a retail sales
36 facility in the State exceeding 100,000 square feet of interior customer selling
37 space that is used primarily for retail sales and whose Maine-based operations
38 derive less than 30% of their total annual revenue on a calendar year basis from
39 sales that are made at a retail sales facility located in the State. For purposes of
40 this subparagraph, the following terms have the following meanings:

41 (a) "Primarily" means more than 50% of the time;

1 (b) "Retail sales activity" means an activity associated with the selection and
2 retail purchase of goods or rental of tangible personal property. "Retail sales
3 activity" does not include production as defined in section 1752, subsection
4 9-B; and

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

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

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

15 **Sec. A-5. 36 MRSA §843, sub-§4**, as amended by PL 2009, c. 434, §16, is
16 further amended to read:

17 **4. Payment requirements for taxpayers.** If the taxpayer has filed an appeal under
18 this section without having paid an amount of current taxes equal to the amount of taxes
19 paid in the ~~next~~ immediately preceding tax year, as long as that amount does not exceed
20 the amount of taxes due in the current tax year or the amount of taxes in the current tax
21 year not in dispute, whichever is greater, by or after the due date or according to a
22 payment schedule mutually agreed to in writing by the taxpayer and the municipal
23 officers, the appeal process must be suspended until the taxes, together with any accrued
24 interest and costs, have been paid. If an appeal is in process upon expiration of a due date
25 or written payment schedule date for payment of taxes in a particular municipality,
26 without the appropriate amount of taxes having been paid, whether the taxes are due for
27 the year under appeal or a subsequent tax year, the appeal process must be suspended
28 until the appropriate amount of taxes described in this subsection, together with any
29 accrued interest and costs, has been paid. This subsection does not apply to property with
30 a valuation of less than \$500,000.

31 **Sec. A-6. 36 MRSA §1112, 3rd ¶**, as amended by PL 2011, c. 618, §8, is further
32 amended to read:

33 A penalty may not be assessed at the time of a change of use from the farmland
34 classification of land subject to taxation under this subchapter to the open space
35 classification of land subject to taxation under this subchapter. A penalty may not be
36 assessed upon the withdrawal of farmland or open space land from taxation under this
37 subchapter if the owner applies for the land to be classified as and the land is accepted for
38 classification as timberland under subchapter 2-A. There also is no penalty imposed
39 when land classified as timberland is accepted for classification as open space land. A
40 penalty may not be assessed upon withdrawal of open space land from taxation under this
41 subchapter if the owner applies for the land to be classified as and the land is accepted for
42 classification as farmland under this subchapter. A penalty may not be assessed upon
43 withdrawal of land enrolled under the Maine Tree Growth Tax Law if the owner applies

1 for the land to be classified as and the land is accepted for classification as farmland
2 under this chapter. The recapture penalty for withdrawal from farmland classification
3 within 10 years of a transfer from either open space tax classification or timberland tax
4 classification is the same imposed on withdrawal from the prior tax classification, open
5 space or tree growth. The recapture penalty for withdrawal from farmland classification
6 more than 10 years after such a transfer will be the regular farmland recapture penalty
7 provided for in this section. In the event a penalty is later assessed under subchapter 2-A,
8 the period of time that the land was taxed as farmland or as open space land under this
9 subchapter must be included for purposes of establishing the amount of the penalty. The
10 recapture penalty for withdrawal from open space classification within 10 years of a
11 transfer from tree growth classification occurring on or after August 1, 2012 is the same
12 that would be imposed if the land were being withdrawn from the tree growth
13 classification. The recapture penalty for withdrawal from open space classification more
14 than 10 years after such a transfer will be the open space recapture penalty provided for in
15 this section.

16 **Sec. A-7. 36 MRSA §1285**, as amended by PL 1979, c. 666, §33, is further
17 amended to read:

18 **§1285. Collection of taxes in unorganized territory**

19 In addition to the methods of collecting state taxes provided by law, owners of real
20 estate in the unorganized townships shall be territory are liable to pay for payment of
21 such taxes to the State Tax Assessor upon demand. If such taxes ~~shall~~ are not be paid
22 within 30 days after such demand, the State Tax Assessor may collect the same, with
23 interest as provided by law, by a civil action in the name of the State. ~~Such~~ This action
24 ~~shall~~ must be brought in a court of competent jurisdiction in the county where such
25 ~~unorganized townships are~~ real estate is located, and the Attorney General may begin and
26 prosecute such actions when requested by the State Tax Assessor. The demand ~~shall be~~ is
27 sufficient if made by a writing mailed to such owner or ~~his~~ the owner's agent at ~~his~~ the
28 owner's usual post-office post office address. In case such owner resides ~~without~~ outside
29 the State and has no agent within the State known to the State Tax Assessor, such demand
30 ~~shall be~~ is sufficient if made upon the Director of the Bureau of Forestry. Such action
31 ~~shall~~ must be brought not less than 30 days after the giving or mailing of the demand.
32 The beginning of such action, obtaining execution and collecting the same ~~shall be~~ is
33 deemed a waiver of the rights of the State under sections 1281 and 1282. In case the
34 owners of any such real estate are unknown, the demand ~~shall be~~ is sufficient if
35 advertised in the state paper and in some newspaper, if any, published in the county in
36 which the real estate ~~lies~~ is located.

37 **Sec. A-8. 36 MRSA §6652, sub-§1-C, ¶C**, as amended by PL 2001, c. 396, §47,
38 is further amended to read:

39 C. A cogeneration facility is eligible for reimbursement on that portion of property
40 taxes paid multiplied by a fraction, the numerator of which is the total amount of
41 useful energy produced by the facility during the property tax year ~~immediately~~
42 ~~preceding the property tax year~~ for which a claim is being made that is directly used
43 by a manufacturing facility without transmission over the facilities of a transmission
44 and distribution utility as defined in Title 35-A, section 102, subsection 20-B and the

1 denominator of which is the total amount of useful energy produced by the facility
2 during the property tax year immediately preceding the property tax year for which a
3 claim is being made.

4 **Sec. A-9. Maine Revised Statutes headnote amended; revision clause.** In
5 the Maine Revised Statutes, Title 36, chapter 103, subchapter 1, in the subchapter
6 headnote, the words "state valuation; abatements" are amended to read "state valuation"
7 and the Revisor of Statutes shall implement this revision when updating, publishing or
8 republishing the statutes.

9 **PART B**

10 **Sec. B-1. 36 MRSA §1752, sub-§15,** as amended by PL 2005, c. 218, §16, is
11 repealed.

12 **Sec. B-2. 36 MRSA §1752, sub-§16,** as amended by PL 1965, c. 114, is
13 repealed.

14 **Sec. B-3. 36 MRSA §1752, sub-§21,** as amended by PL 2005, c. 215, §17, is
15 further amended to read:

16 **21. Use.** "Use" ~~includes~~ means the exercise in this State of any right or power over
17 tangible personal property incident to its ownership, including storage of the property and
18 the derivation of income from the rental of the property, whether received in money or in
19 the form of other benefits, ~~by a lessor from the rental of tangible personal property~~
20 ~~located in this State.~~ "Use" does not include keeping, retaining or exercising power over
21 tangible personal property brought into the State for the purpose of subsequently
22 transporting it outside the State for use by the purchaser thereafter solely outside the State
23 or for the purpose of being processed, fabricated, manufactured or incorporated into or
24 attached to other tangible personal property to be transported outside the State and
25 thereafter used by the purchaser solely outside the State.

26 **Sec. B-4. 36 MRSA §1760, first ¶,** as amended by PL 1999, c. 521, Pt. A, §6, is
27 further amended to read:

28 Subject to the provisions of section 1760-C, no tax on sales, ~~storage~~ or use may be
29 collected upon or in connection with:

30 **Sec. B-5. 36 MRSA §1760, sub-§50,** as amended by PL 2013, c. 420, §1, is
31 repealed and the following enacted in its place:

32 **50. Certain libraries; library support organizations. Sales:**

33 A. To a nonprofit free public lending library that is funded in part or wholly by the
34 State or any political subdivision of the State or the Federal Government; and

35 B. By a library as described in paragraph A or a nonprofit corporation organized to
36 support a library as described in paragraph A, as long as the proceeds from the sales
37 are used to benefit the library.

1 **Sec. B-6. 36 MRSA §1861**, as amended by PL 1995, c. 640, §6, is further
2 amended to read:

3 **§1861. Imposition**

4 A tax is imposed, at the respective rate provided in section 1811, on the ~~storage~~, use
5 or other consumption in this State of tangible personal property or a service, the sale of
6 which would be subject to tax under section 1764 or 1811. Every person so ~~storing~~, using
7 or otherwise consuming is liable for the tax until the person has paid the tax or has taken
8 a receipt from the seller, as duly authorized by the assessor, showing that the seller has
9 collected the sales or use tax, in which case the seller is liable for it. Retailers registered
10 under section 1754-B or 1756 shall collect the tax and make remittance to the assessor.
11 The amount of the tax payable by the purchaser is that provided in the case of sales taxes
12 by section 1812. When tangible personal property purchased for resale is withdrawn
13 from inventory by the retailer for the retailer's own use, use tax liability accrues at the
14 date of withdrawal.

15 **Sec. B-7. 36 MRSA §2903, sub-§1**, as amended by PL 2011, c. 240, §24, is
16 further amended to read:

17 **1. Excise tax imposed.** ~~Beginning July 1, 2008 and ending June 30, 2009, an An~~
18 excise tax is imposed on internal combustion engine fuel used or sold in this State,
19 including sales to the State or a political subdivision of the State, at the rate of ~~28.4¢~~
20 30.0¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel
21 bought or used for the purpose of propelling jet or turbojet engine aircraft. ~~Beginning~~
22 July 1, 2009, an excise tax is imposed on internal combustion engine fuel used or sold in
23 this State, including sales to the State or a political subdivision of the State, at the rate of
24 29.5¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel
25 bought or used for the purpose of propelling jet engine aircraft. The tax rate provided by
26 this subsection except the rate of tax imposed on fuel bought or used for the purpose of
27 propelling jet engine aircraft is subject to an annual inflation adjustment pursuant to
28 section 3321. Any fuel containing at least 10% internal combustion engine fuel is subject
29 to the tax imposed by this section.

30 **Sec. B-8. 36 MRSA §3203, sub-§1-B**, as amended by PL 2011, c. 240, §25, is
31 further amended to read:

32 **1-B. Generally; rates.** Except as provided in section 3204-A, ~~beginning July 1,~~
33 ~~2008 and ending June 30, 2009,~~ an excise tax is levied and imposed on all suppliers of
34 distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel
35 used in this State for each gallon of distillate at the rate of ~~29.6¢~~ 31.2¢ per gallon.
36 ~~Beginning July 1, 2009, an excise tax is levied and imposed on all suppliers of distillates~~
37 ~~sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this~~
38 ~~State for each gallon of distillate at the rate of 30.7¢ per gallon.~~ Tax rates for each gallon
39 of low-energy fuel are based on the British Thermal Unit, referred to in this subsection as
40 "BTU," energy content for each fuel as based on gasoline gallon equivalents or the
41 comparable measure for distillates. The gasoline gallon equivalent is the amount of
42 alternative fuel that equals the BTU energy content of one gallon of gasoline. ~~In the case~~
43 ~~of distillates, the tax rate provided by this section is subject to annual inflation adjustment~~

1 ~~pursuant to section 3321.~~ For purposes of this subsection, "base rate" means the rate in
 2 effect for gasoline or diesel on July 1st of each year as ~~indexed under section 3321.~~ A
 3 biodiesel blend containing less than 90% biodiesel fuel is subject to the rate of tax
 4 imposed on diesel.

5 A. This paragraph establishes the applicable BTU values and tax rates based on
 6 gasoline gallon equivalents.

7 Fuel type based on gasoline	8 BTU content per gallon or 9 gasoline gallon equivalent	10 Tax rate formula (BTU 11 value fuel/BTU value 12 gasoline) x base rate 13 gasoline
14 Gasoline	115,000	100% x base rate
15 Propane	84,500	73% x base rate
16 Compressed Natural Gas 17 (CNG)	115,000	100% x base rate
18 Methanol	56,800	49% x base rate
19 Ethanol	76,000	66% x base rate
Hydrogen	115,000	100% x base rate
Hydrogen Compressed Natural Gas	115,000	100% x base rate

20 B. This paragraph establishes the applicable BTU values and tax rates based on
 21 distillate gallon equivalents.

22 Fuel type based on diesel	23 BTU content per gallon or 24 gallon equivalent	25 Tax rate formula (BTU 26 value fuel/BTU value 27 diesel) x base rate diesel
28 Diesel	128,400	100% x base rate
29 Liquefied Natural Gas (LNG)	73,500	57% x base rate
Biodiesel	118,300	92% x base rate

30 C. The conversion factors established in this paragraph must be used in converting to
 31 gasoline gallon equivalents.

32 (1) For compressed natural gas, BTUs per 100 standard cubic feet is 93,000, and
 33 there are 123.66 standard cubic feet per gasoline gallon equivalent.

34 (2) For hydrogen, BTUs per 100 standard cubic feet is 27,000, and there are
 35 425.93 standard cubic feet per gasoline gallon equivalent.

36 (3) For hydrogen compressed natural gas, BTUs per 100 standard cubic feet is
 37 79,800, and there are 144.11 standard cubic feet per gasoline gallon equivalent.

38 **Sec. B-9. 36 MRSA §3208, first ¶**, as amended by PL 2007, c. 438, §78, is
 39 further amended to read:

40 Every user subject to the tax imposed by section 3203 is entitled to a credit on the
 41 tax, equivalent to the then current rate of taxation per gallon imposed by section 3203 as

1 ~~adjusted pursuant to section 3321~~, on all special fuel purchased by that user from a
2 supplier or retailer licensed in accordance with section 3204 upon which the tax imposed
3 by section 3203 has been paid. Evidence of the payment of that tax, in a form required by
4 or satisfactory to the State Tax Assessor, must be furnished by each user claiming the
5 credit. When the amount of the credit to which any user is entitled for any quarter
6 exceeds the amount of the tax for which that user is liable for the same quarter, the excess
7 may be allowed as a credit on the tax for which that user would be otherwise liable for
8 another quarter or quarters. Upon application to the assessor, the excess may be refunded
9 if the applicant has paid to another state or province under a lawful requirement of that
10 jurisdiction a tax similar in effect to the tax imposed by section 3203 on the use or
11 consumption of that fuel outside the State, at the same rate per gallon that tax was paid in
12 this State, but in no case to exceed the then current rate per gallon of the tax imposed by
13 section 3203 ~~as adjusted pursuant to section 3321~~. Upon receipt of the application the
14 assessor, if satisfied after investigation that a refund is justified, shall so certify to the
15 State Controller. The refund must be paid out of the Highway Fund. This credit lapses at
16 the end of the last quarter of the year following that in which the credit arose.

17 **Sec. B-10. 36 MRSA §4362-A, sub-§1**, as amended by PL 2015, c. 300, Pt. A,
18 §36, is further amended to read:

19 **1. Generally.** A distributor doing business in this State shall obtain a license from
20 the assessor. A license must be obtained for each wholesale outlet maintained by the
21 distributor. A distributor's license must be prominently displayed on the premises of the
22 business covered by the license. A person required to be licensed as a distributor
23 pursuant to this chapter must also be in compliance with Title 22, section 1580-L. A
24 distributor's license issued pursuant to this section is not a license within the meaning of
25 that term in the Maine Administrative Procedure Act.

26 **Sec. B-11. 36 MRSA §4362-A, sub-§3**, as amended by PL 2003, c. 439, §2, is
27 repealed.

28 **Sec. B-12. 36 MRSA §4362-A, sub-§5**, as amended by PL 2007, c. 438, §90, is
29 further amended to read:

30 **5. Surrender, revocation and suspension.** When the business with respect to
31 which a license was issued pursuant to this section is sold or ceases to do business in this
32 State, the holder of the license shall immediately surrender it to the assessor. The
33 assessor may revoke or suspend the license of a distributor for failure to comply with any
34 provision of this chapter or if the distributor no longer imports or sells cigarettes. A
35 license that has been revoked or suspended pursuant to this subsection must be
36 immediately surrendered to the assessor. Any person aggrieved by a revocation or
37 suspension may request reconsideration as provided in section 151.

38 **Sec. B-13. 36 MRSA §4366-A, sub-§4-A**, as amended by PL 2011, c. 441, §1, is
39 repealed.

40 **Sec. B-14. 36 MRSA §4366-A, sub-§4-B**, as enacted by PL 2011, c. 441, §2, is
41 amended to read:

1 **4-B. Redemption of stamps.** ~~Beginning July 1, 2012, the~~ The assessor shall redeem
2 any unused, uncanceled stamps presented within one year of the date of purchase by a
3 licensed distributor at a price equal to the amount paid for them. Credit for uncanceled
4 stamps is allowed only on full, unopened rolls unless the distributor ceases business as a
5 distributor and returns the license issued under section 4362-A. The assessor may also
6 redeem, at face value, cigarette tax stamps affixed to packages of cigarettes that have
7 become unsalable if application is made within 90 days of the return of the unsalable
8 cigarettes to the manufacturer or of the destruction of the unsalable cigarettes by the
9 distributor. The assessor may either witness the destruction of the unsalable cigarettes or
10 may accept another form of proof that the unsalable cigarettes have been destroyed by the
11 distributor or returned to the manufacturer.

12 **Sec. B-15. 36 MRSA §4402, sub-§1**, as amended by PL 2015, c. 300, Pt. A, §37,
13 is further amended to read:

14 **1. Generally.** Every distributor shall obtain a license from the State Tax Assessor
15 before engaging in business. A retailer required to be licensed as a distributor pursuant to
16 this chapter must also hold a current retail tobacco license issued under Title 22, ~~section~~
17 ~~1551-A~~ chapter 262-A, subchapter 1. A distributor's license must be prominently
18 displayed on the premises of the business covered by the license and may not be
19 transferred to any other person. A distributor's license issued pursuant to this section is
20 not a license within the meaning of that term in the Maine Administrative Procedure Act.

21 **Sec. B-16. 36 MRSA §4402, sub-§3**, as enacted by PL 2005, c. 627, §7, is
22 repealed.

23 **Sec. B-17. 36 MRSA §4402, sub-§5**, as amended by PL 2013, c. 331, Pt. C, §31
24 and affected by §41, is further amended to read:

25 **5. Surrender, revocation and suspension.** When the business with respect to
26 which a license was issued pursuant to this section is sold or ceases to do business in this
27 State, the holder of the license shall immediately surrender it to the assessor. The
28 assessor may revoke or suspend the license of any distributor for failure to comply with
29 any provision of this chapter or if the person no longer imports or sells tobacco products.
30 A license that has been revoked or suspended pursuant to this subsection must be
31 immediately surrendered to the assessor. A person aggrieved by a revocation or
32 suspension may request reconsideration as provided in section 151.

33 **Sec. B-18. 36 MRSA §4402, sub-§§6 and 7**, as enacted by PL 2005, c. 627, §7,
34 are amended to read:

35 **6. License directory maintained.** The assessor shall maintain a directory of
36 distributors licensed pursuant to this chapter. The assessor shall update the directory as
37 necessary, but not less than annually. Notwithstanding the provisions of section 191, the
38 list must be available to the public and must be posted on a publicly accessible website
39 maintained by the assessor. The directory must be mailed annually to all retailers at or
40 near the time of renewal of a retail tobacco license issued under Title 22, ~~section 1551-A~~
41 chapter 262-A, subchapter 1.

1 3-year period may not exceed the pick-up contributions that have been previously
2 taxed under this Part ~~during that 3-year period~~;

3 **Sec. C-4. 36 MRSA §5219-BB, sub-§3**, as amended by PL 2009, c. 361, §28
4 and affected by §37, is further amended to read:

5 **3. Increased credit for a certified affordable housing project.** The credit allowed
6 under this section is increased to 30% of certified qualified rehabilitation expenditures for
7 a certified affordable housing project. If the certified affordable housing project for
8 which an increased credit was allowed under this subsection does not remain an
9 affordable housing project for 30 years from the date the affordable housing project is
10 placed in service, the owner of the property is subject to the repayment provisions of Title
11 30-A, section 4722, subsection 1, paragraph DD. Upon notification by the Maine
12 Historic Preservation Commission and the Maine State Housing Authority pursuant to
13 Title 30-A, section 4722, subsection 1, paragraph DD, subparagraph ~~4~~ (4), the State Tax
14 Assessor shall ~~raise~~ increase the credit ~~increase amount allowed rate~~ under this subsection
15 that was in effect in the calendar year prior to the calendar year in which the notification
16 was received by one percentage point for tax years beginning in the calendar year of that
17 notification and for any subsequent tax year. ~~The maximum total credit allowed under~~
18 ~~this subsection~~ In no event may not the credit rate under this subsection exceed 35% of
19 the taxpayer's certified qualified rehabilitation expenditures.

20 **Sec. C-5. 36 MRSA §5403, sub-§6**, as amended by PL 2017, c. 474, Pt. B, §23,
21 is further amended to read:

22 **6. Property tax fairness credit.** Beginning in 2018 and each year thereafter, by the
23 benefit base amounts in section 5219-KK, subsection 1, paragraph A-1, except that for
24 the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the
25 "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period
26 ending June 30th of the preceding calendar year divided by the Chained Consumer Price
27 Index for the 12-month period ending June 30, 2017;

28 **Sec. C-6. PL 2017, c. 474, Pt. D, §4**, as corrected by RR 2017, c. 2, §17, is
29 amended to read:

30 **Sec. D-4. Application.** ~~This~~ With the exception of those portions of those sections
31 of this Part that enact the Maine Revised Statutes, Title 36, section 5200-A, subsection 1,
32 paragraph FF and subsection 2, paragraph EE, which apply to tax years beginning on or
33 after January 1, 2018, this Part applies to tax years beginning on or after January 1, 2017;
34 ~~except that those portions of those sections of this Part that enact the Maine Revised~~
35 ~~Statutes, Title 36, section 5200-A, subsection 1, paragraph FF and subsection 2,~~
36 ~~paragraph EE apply to tax years beginning on or after January 1, 2018.~~

37 **SUMMARY**

38 This bill makes a number of technical changes to the Maine tax laws.

39 Part A:

- 1 1. Makes clerical corrections to outdated language and gender references;
- 2 2. Adds a cross-reference to the Maine Revised Statutes, Title 36, chapter 105 and
3 corrects a headnote;
- 4 3. Corrects a mathematical error in which 4% was used instead of 4 percentage
5 points;
- 6 4. Clarifies the use of the related terms "eligible business equipment" and "qualified
7 property" and amends the definition of "eligible business equipment";
- 8 5. Corrects a reference to the preceding tax year;
- 9 6. Eliminates the penalty for transfer of land from farmland to timberland to match
10 current practice and all other transfers between current use programs; and
- 11 7. Corrects the time period used for determining when cogeneration facility property
12 is eligible for reimbursement to include the most current available cogeneration data.

13 Part B:

- 14 1. Removes the definitions of "storage" and "storage or use" and expands the
15 definition of "use" to improve the clarity and logic of these terms;
- 16 2. Clarifies the sales and use tax exemption for libraries and organizations that
17 support libraries;
- 18 3. Removes obsolete language related to the previously repealed indexing of the
19 gasoline excise tax and the special fuel excise tax rates and clarifies the current applicable
20 rates; and
- 21 4. Repeals the annual licensing requirements for distributors of cigarettes and
22 tobacco products.

23 Part C:

- 24 1. Repeals a redundant confidentiality exemption for the taxpayer advocate;
- 25 2. Clarifies the definition of Maine taxable income;
- 26 3. Clarifies that the subtraction modification for Maine Public Employees Retirement
27 System pick-up contributions is allowed for the amount of pick-up contributions that
28 were previously taxed by Maine, not just the amount of pick-up contributions taxed
29 during the previous 3 years;
- 30 4. Clarifies that the increased credit rate applicable to certified qualified
31 rehabilitation expenditures for a certified affordable housing project is increased by one
32 percentage point each year the State Tax Assessor is notified by the Maine Historic
33 Preservation Commission and the Maine State Housing Authority that the percentage of
34 certified affordable housing projects is below 30% of the total aggregate square feet of
35 projects eligible for the historic preservation credit. The increased credit rate may not

1 exceed 35%. It further clarifies that the increased credit rate for certified affordable
2 housing projects applies to tax years beginning in the year of notification and to any
3 subsequent tax year;

4 5. Makes a typographical correction; and

5 6. Makes clarifying changes to an application clause.