

MAINE STATE LEGISLATURE

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Date 6/16/23 Minority L D 1338
(Filing No H-585)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H P 852, L D 1338, "An Act to Amend the Maine Exclusion Amount in the Estate Tax"

Amend the bill in section 1 in subsection 5 in paragraph D in the first line (page 1, line 12 in L D) by striking out the following "\$2,000,000" and inserting the following '\$3,000,000'

Amend the bill in section 2 in §4119 in the 8th line (page 1, line 24 in L D) by inserting after the following "4120" the following 'subsection 2'

Amend the bill in section 3 in §4120 in subsection 2 in the 3rd line (page 3, line 9 in L D) by striking out the following "\$3,800,000" and inserting the following '\$4,000,000'

Amend the bill by inserting after section 4 the following

'Sec. 5. Appropriations and allocations. The following appropriations and allocations are made

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative Provides ongoing funding for one Tax Section Manager position, 2 Senior Tax Examiner positions and 3 Tax Examiner II positions effective October 1, 2023

GENERAL FUND	2023-24	2024-25
POSITIONS - LEGISLATIVE COUNT	6 000	6 000
Personal Services	\$541,773	\$734,564
All Other	\$34,908	\$26,070
GENERAL FUND TOTAL	<u>\$576,681</u>	<u>\$760,634</u>

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF		
DEPARTMENT TOTALS	2023-24	2024-25

COMMITTEE AMENDMENT

ROS

1			
2	GENERAL FUND	\$576,681	\$760,634
3			
4	DEPARTMENT TOTAL - ALL FUNDS	\$576,681	\$760,634
5	HOUSING AUTHORITY, MAINE STATE		
6	Housing Authority - State 0442		
7	Initiative Allocates funds from revenue generated as a result of reducing the exclusion		
8	amount below which the Maine estate tax does not apply to be used to support affordable		
9	housing including affordable housing for veterans		
10	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
11	All Other	\$0	\$13,500,000
12			
13	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$13,500,000
14			
15	HOUSING AUTHORITY, MAINE STATE		
16	DEPARTMENT TOTALS	2023-24	2024-25
17			
18	OTHER SPECIAL REVENUE FUNDS	\$0	\$13,500,000
19			
20	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$13,500,000
21			
22	SECTION TOTALS	2023-24	2024-25
23			
24	GENERAL FUND	\$576,681	\$760,634
25	OTHER SPECIAL REVENUE FUNDS	\$0	\$13,500,000
26			
27	SECTION TOTAL - ALL FUNDS	\$576,681	\$14,260,634

28
29 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
30 number to read consecutively

31 **SUMMARY**

32 This amendment changes the estate tax exclusion amount provided in the bill from
33 \$2,000,000 to \$3,000,000 and the additional exclusion amount created for family farms and
34 aquaculture, fishing and wood harvesting businesses provided in the bill from \$3,800,000
35 to \$4,000,000 The amendment adds an appropriations and allocations section

36 **FISCAL NOTE REQUIRED**

37 (See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 1338

LR 1962(02)

An Act to Amend the Maine Exclusion Amount in the Estate Tax

Fiscal Note for Bill as Amended by Committee Amendment **A (H-585)**
Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$576,681	\$760,634	\$787,078	\$814,475
Appropriations/Allocations				
General Fund	\$576,681	\$760,634	\$787,078	\$814,475
Other Special Revenue Funds	\$0	\$13,500,000	\$18,405,000	\$18,957,150
Revenue				
General Fund	\$0	\$13,500,000	\$18,405,000	\$18,957,150
Transfers				
General Fund	\$0	(\$13,500,000)	(\$18,405,000)	(\$18,957,150)
Other Special Revenue Funds	\$0	\$13,500,000	\$18,405,000	\$18,957,150

Fiscal Detail and Notes

This bill reduces the Maine estate tax exclusion amount from \$5,600,000 to \$3,000,000 for decedents dying on or after January 1, 2024 and creates an additional exclusion from the estate tax of \$4,000,000 for farmland and depreciable machinery and equipment used for commercial agriculture, aquaculture, fishing and wood harvesting that is part of an estate of a decedent dying on or after January 1, 2024. These changes will increase General Fund revenue from the estate tax by \$13,500,000 in fiscal year 2024-25. The bill directs this revenue to be credited to the Maine State Housing Authority solely to support affordable housing, including housing for veterans and includes an Other Special Revenue Funds allocation of \$13,500,000 in fiscal year 2024-25 to authorize expenditure of the revenue.

This bill also includes ongoing General Fund appropriations to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$576,681 in fiscal year 2023-24 and \$760,634 in fiscal year 2024-25 for one Tax Section Manager position, 2 Senior Tax Examiner positions and 3 Tax Examiner II positions, effective October 1, 2023, to process and audit additional estate tax returns, the additional exclusion amount and potential related tax recapture. The bureau estimates the number of estate tax returns will increase by approximately 250%, from 70 to 180 per year.